

**SCHOOL DISTRICT**  
**OF**  
**RUNNEMEDE**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Runnemedede Board of Education**

**Runnemedede, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Runnemede Board of Education**

**Runnemede, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

**Prepared by**

**Runnemede Board of Education**

**Finance Department**

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OF THE RUNNEMEDE SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**

# *Runnemede Board of Education*

Joanne Augustine  
Business Administrator/  
Board Secretary

505 W. Third Avenue  
Runnemede, NJ 08078  
(856) 931-5367 Fax: (856) 931-4446

October 25, 2012

Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

Dear Board Members:

The Comprehensive Annual Financial Report of the Runnemede Public School District (District) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

The Runnemede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2011-2012 fiscal year with a June enrollment of 862 students. This represents virtually the same enrollment as 2010-11. The following table details the changes in the student enrollment of the District over the last ten years.

**June 30 Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2011-12	862	1%
2010-11	851	(.12)%
2009-10	852	.95%
2008-09	844	5.10%
2007-08	803	2.49%
2006-07	806	.12 %
2005-06	805	(3.48)%
2004-05	834	3.60 %
2003-04	805	(2.42)%
2002-03	825	(.96)%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The adequacy formula was again insufficient for the Runnemede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the district continued to recover from the loss of 2010-11 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2011-12 budgets. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

**3. MAJOR INITIATIVES:**

- A. The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading is implemented in K-5, providing an opportunity to differentiate instruction and meet the needs of individual learners. A standards based mathematics program has continued and provided excellent results. On-going professional development and accompanying materials have also been incorporated into the spending plan during the budget year. Language Arts, focusing on the writing component, was identified as an area of weakness in the state assessments and has been the center of professional development, teaching and material resource allocation. Inclusion of students with disabilities and interventions for "at risk" students have been important goals of resource allocation via blending grant funds and the local budget. Intervention programs for struggling readers have continued to grow with the addition of diagnostic assessments and program plans for small group and individual instruction in the Response to Intervention (RTI) model. The District struggles with the necessary staff to support the model but utilizes all appropriate instructional staff and 2 part time consultants funded through Title I.

The shift to implementation of the Common Core State Standards began with the revision of the K-2 mathematics and K-8 science curricula in 2011-12. In addition the initiative toward compliance with the revision of all district curricula that reflects the most updated NJCCCS and the 2010 CCSS was completed during the school year with teachers developing curricula and were compensated with funds from Title IIA.

- B. Technology continued to advance with the continuous upgrade of computer labs, the addition of two types of Interactive White Boards in all school buildings and updated software. A Technology Coordinator position that was added to the staff in 2008-09 continues to be maintained as a full time position. In addition to maintain the network, the Coordinator provides leadership and support for technology infrastructure, including the phone and security systems and the educational program. The web based student information management system, Real-time, was used again to include the lesson-planning module and to drive the course code mandate as well as other required state reports. Courses are now connected to all teachers and their lesson plans in grades 4-8 with plans to do so in the K-3 buildings in 2012-2013.
- C. 2011-12 was a planning year for the implementation of the new teacher and principal evaluation system. A team selected the model that will be used and professional development time was set for the upcoming school year. The projection is to use Race to the Top 3 funds to initiate the pilot project in 2012-2013.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

## **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

## **7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

## **9. OTHER INFORMATION:**

**A) Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm, Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**B) Awards** – The District has received one (1) safety award in recognition of the efforts and achievement of our Safety Program. These awards have been issued from the New Jersey School Boards Association Insurance Group.

## **10. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,



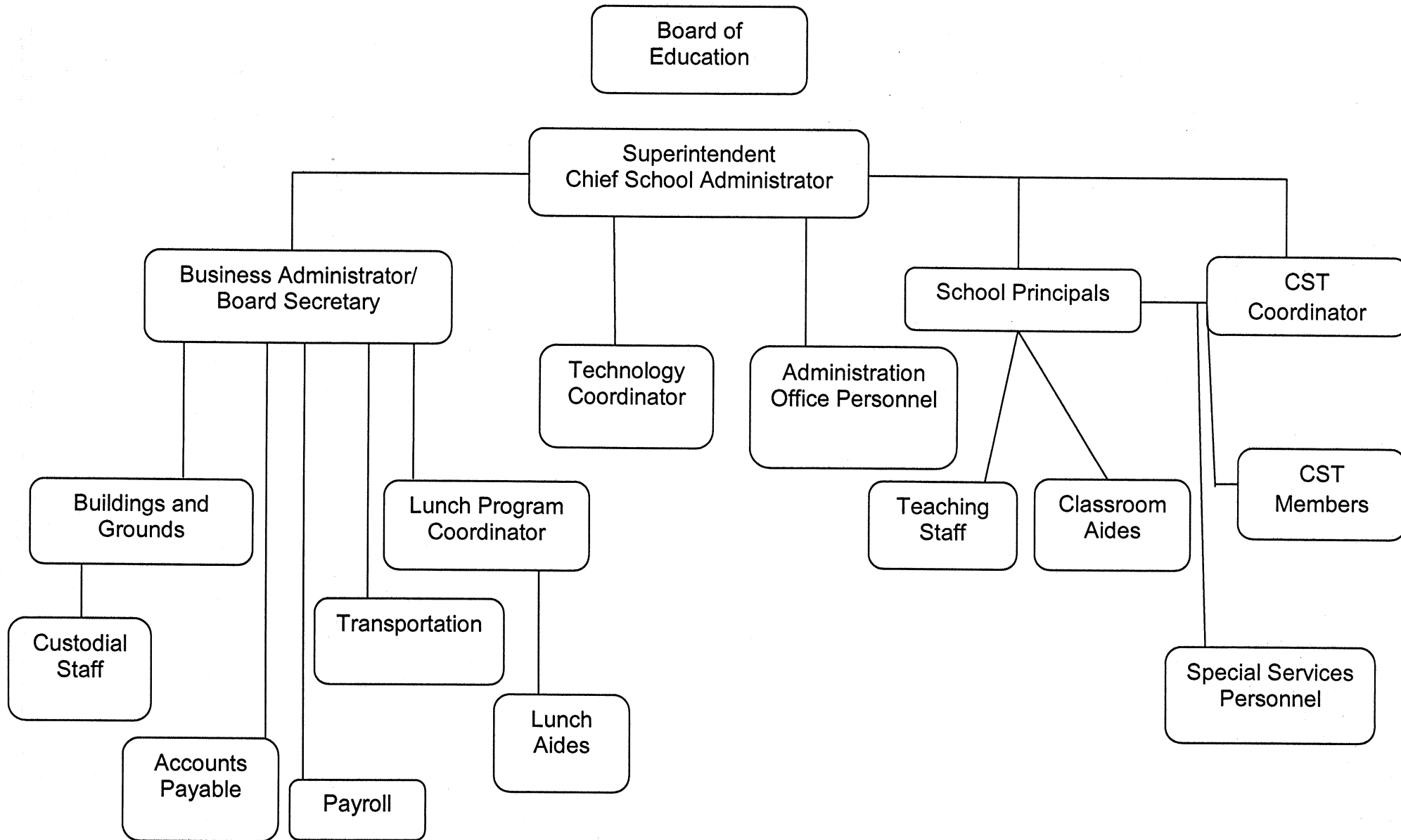
Nancy Ward, Superintendent



Joanne Augustine, School Business  
Administrator/Board Secretary



# RUNNEMEDE BOARD OF EDUCATION



**RUNNEMEDE BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Samantha Spaulding, President	2012
Naomi Davidson, Vice President	2013
Colleen Kurth (To May 2012)	2012
John Wark	2013
Maria Panzarella	2013
Angel Beebe	2014
Lynn Torrillo	2014
Patricia Smith	2014
Amy Farry	2012

**OTHER OFFICIALS**

Nancy Ward, Superintendent

Valarie Carmody, Interim Board Secretary / Business Administrator  
(From July 2011 to November 2011)

Joanne Augustine, Board Secretary / Business Administrator  
(From November 16, 2011)

Christie Ehret, Treasurer

Philip Stern, Esq., Solicitor

**RUNNEMEDE BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Garrison Architects**  
1400 F Commerce Parkway  
Mount Laurel, NJ 08054

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Adams, Stern, Gutierrez & Lattiboudere, LLC**  
744 Broad Street  
Suite 1600  
Newark, NJ 07102

**OFFICIAL DEPOSITORY**

**PNC Bank**  
Glendora, NJ 08029

**INSURANCE AGENCY**

**The Barclay Group**  
202 Broad Street, P.O. Box 244  
Riverton, NJ 08077

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

October 25, 2012

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

Dear Members of the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Runnemede Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

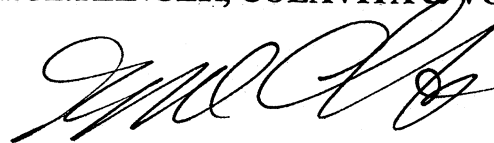
In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2012 on our consideration of the Runnemede Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 54 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Runnemede Board of Education's financial statements as a whole. The accompanying introductory section and other supplementary information such as the combining fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, respectively and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

RUNNEMEDE SCHOOL DISTRICT  
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

As management of the Runnemedede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2012. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2012 by \$4,440,235. This amount represents Net Assets, which increased by \$1,321,000 from the previous year-end.
- ❖ Total net assets of governmental activities totaled \$4,399,393 and Capital assets comprised 57.5% of all governmental activities assets of \$5,597,242.
- ❖ General revenues, net of adjustments, accounted for \$11,683,215 in revenue or 87.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,679,535 or 12.6% to total revenues of \$13,362,750.
- ❖ The School District had \$12,041,750 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$1,679,535 as mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$6,300,716, property taxes of \$5,071,086 and other miscellaneous revenues and adjustments of \$311,413 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$12,072,347 in revenues, \$11,111,548 in expenditures and other financing use reductions of \$48,015. The General Fund's balance increased \$912,784 over 2011. This increase was anticipated by the Board of Education.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Runnemedede School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemedede School District, the General Fund is by far the most significant fund.



## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are three school buildings maintained by the district, which are the Bingham Elementary School, the Downing Elementary School, and the Voltz Middle School.
- ❖ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

## Governmental Funds (Continued)

The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service fund is the only Enterprise Fund maintained by the District.

## The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a comparative summary of the School District's net assets for the years ended in 2012 and 2011.

Table 1  
Net Assets

	2012	2011
<b>Assets</b>		
Current and Other Assets	\$ 2,379,025	\$ 936,169
Capital Assets, Net	3,218,217	3,063,156
<b>Total Assets</b>	<b>5,597,242</b>	<b>3,999,325</b>
<b>Liabilities</b>		
Long-term Liabilities	476,920	772,617
Other Liabilities	720,929	148,260
<b>Total Liabilities</b>	<b>1,197,849</b>	<b>920,877</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	3,218,217	2,981,524
Restricted	1,630,994	611,876
Unrestricted	(449,818)	(514,952)
<b>Total Net Assets</b>	<b>\$ 4,399,393</b>	<b>\$ 3,078,448</b>

Table 2 shows the changes in net assets from fiscal year's 2012 and 2011.

Table 2  
Changes in Net Assets

	2012	2011
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 73,929	\$ 76,222
Operating Grants and Contributions	1,605,606	1,520,420
General Revenues		
Property Taxes	5,071,086	4,751,585
Grants and Entitlements	6,300,716	6,314,821
Other	311,413	111,318
<b>Total Revenues</b>	<b>13,362,750</b>	<b>12,774,366</b>
<b>Program Expenses</b>		
Instruction	4,914,833	4,892,762
Support Services		
Tuition	605,307	943,713
Pupils and Instructional Staff	1,329,739	1,285,066
General Administration, School		
Administration, Business	908,212	986,742
Operations and Maintenance of Facilities	708,219	652,554
Pupil Transportation	226,354	294,088
Unallocated Employee Benefits	3,012,067	2,469,749
Interest on Debt	9,303	22,267
Enterprise Funds	245,745	206,088
Other	81,971	8,059
<b>Total Expenses</b>	<b>12,041,750</b>	<b>11,761,088</b>
<b>Increase in Net Assets</b>	<b>\$ 1,321,000</b>	<b>\$ 1,013,278</b>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$13,362,750 in total revenues for the fiscal year ended June 30, 2012, property taxes made up 38% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 47% and other revenues, net of adjustments made up 15%. The total cost of all program and services was \$12,041,750 of which the net amount spent on governmental activities was \$10,315,295. Of this amount, instruction comprised 41%.

## Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$46,920.
- ❖ To offset the food services deficit, the General Fund subsidized the food service operation by \$48,060. The fund ended the year with a net positive change of \$55. The District will continue to identify a means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$73,929 of revenue. This represents the amount paid by patrons for daily food services for 37% of the revenue in the Food Service Fund.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$124,896 which represents 63% of the revenue.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2012</u>	<u>Net Cost of Service 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 4,914,833	\$ 4,525,841	\$ 4,892,762	\$ 4,488,158
Support Services				
Tuition	605,307	605,307	943,713	943,713
Pupils and Instructional Staff	1,329,739	1,164,124	1,285,066	1,285,066
General Administration, School				
Administration, Business	908,212	908,212	986,742	781,563
Operation and Maintenance of Facilities	708,219	708,219	652,554	652,554
Pupil Transportation	226,354	226,354	294,088	294,088
Employee Benefits	3,012,067	2,085,964	2,469,749	1,673,226
Interest and Fiscal Charges	11,652	11,652	24,616	24,616
Other	79,622	79,622	5,710	5,710
<b>Total Expenses</b>	<u>\$ 11,796,005</u>	<u>\$ 10,315,295</u>	<u>\$ 11,555,000</u>	<u>\$ 10,148,694</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### **The School District's Funds**

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$12,920,803 and expenditures of \$12,004,029. The net change in fund balance for the year was \$868,714, which included the transfer to the food service fund of \$48,060. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2011</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 6,620,042	51.2%	\$ 350,859	5.6%
State Sources	5,652,957	43.8%	308,068	5.4%
Federal Sources	644,456	5.0%	153,984	39.9%
Total	<u>\$ 12,917,455</u>	<u>100.0%</u>	<u>\$ 812,911</u>	<u>6.6%</u>

The increase in Local Sources is attributed to increases in the local tax levy of \$393,905 and tuition income of \$14,263, offset by decreases in miscellaneous revenue of \$56,479 and interest earned of \$830.

The increase in State Sources is attributed to higher general fund state aid of \$347,914, offset by a decrease in grants for special projects of \$35,588 and state debt service aid of \$4,258.

The increase in Federal Sources is attributed to increases in various grant awards of \$153,984.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2012.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,903,547	40.8%	\$ 102,144	2.1%
Undistributed Expenditures	6,739,776	56.1%	(523,456)	-7.8%
Capital Outlay	97,581	0.8%	(736,705)	-3681.3%
Debt Service:				
Principal	250,000	2.1%	-	0.0%
Interest	13,125	0.1%	(13,000)	-21.0%
Total	<u>\$ 12,004,029</u>	<u>100.0%</u>	<u>\$ (1,171,017)</u>	<u>-9.9%</u>

The increase in Current – Instruction is attributed to increases in special education instruction of \$139,397, offset by decreases in regular instruction of \$4,496 and other instruction of \$32,757.

The decrease in Current – Undistributed Expenditures is attributed to decreases in district tuition of \$338,406, administrative costs of \$68,540, plant operations and maintenance of \$33,014, pupil transportation of \$67,734 and employee benefits of \$60,435, offset by an increase in student and instruction related expenses of \$44,673.

The increase of \$736,705 in capital outlay is attributed to increases in equipment purchases and state aided building improvements.

The slight decrease in debt service is attributed to debt payment requirement through out the year.

### **General Fund Budgeting Highlights**

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2012, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$930,763.

- ❖ Actual revenues were \$264,274 higher than expected (excluding On-Behalf pension and social security state aid of \$898,727) due primarily to local source revenue of \$32,300, other categorical aid of \$219,274 and special education Medicaid insurance of \$12,072.
- ❖ The actual expenditures were \$212,385 less than expected, which included the effects of state On-Behalf pension and social security aid of \$898,727.

### Capital Assets

At the end of the fiscal year 2012, the School District had \$3,226,191 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

	<u>2012</u>	<u>2011</u>
Land	\$ 29,083	\$ 29,083
Construction in Progress	-	884,472
Site Improvements	56,423	38,897
Building and Improvements	3,050,435	1,965,574
Equipment	90,250	151,074
Totals	<u>\$ 3,226,191</u>	<u>\$ 3,069,100</u>

Overall capital assets increased \$157,091 from fiscal year 2011 to fiscal year 2012. Increases were \$68,227 in Buildings and Improvements, \$33,451 in Equipment and prior year adjustments of \$243,113, offset by depreciation expense of \$187,700.

## **Debt Administration**

At June 30, 2012, the School District had \$476,920 as outstanding debt, all of which is for compensated absences. The prior year balance of school construction bonds, in the amount of \$250,000, was paid off in the 2011-2012 school year.

At June 30, 2012, the School District's overall legal debt margin was \$17,185,675, all of which constitutes unvoted debt permitted by statute.

## **For the Future**

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures that are not aided by funding from the state. The Board of Education did choose to move the School Board election to November and agreed to reserve increase of the tax levy to no more than two percent for each budget year. While this ensures greater control over the budget, the restriction results in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

It is the responsibility of the governing body to make decisions that are consistently centered on student achievement and preservation of the asset while remaining mindful of the taxpayer. The District will continue to pursue new ways to decrease spending where possible to ensure that funding is adequate to ensure attainment of the goal of quality educational programs for its students. This will be accomplished by maintaining exemplary practices in financial planning, budgeting and maintaining financial controls that are in accordance with state statutes and guidelines.

## **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Joanne Augustine, Business Administrator/Board Secretary at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.



## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,533,855	\$ 30,061	\$ 1,563,916
Receivables, Net	845,170	4,153	849,323
Restricted Assets:			
Inventory		29	29
Capital Assets, Net (Note 5):	3,218,217	7,974	3,226,191
Total Assets	<u>5,597,242</u>	<u>42,217</u>	<u>5,639,459</u>
<b>LIABILITIES</b>			
Accounts Payable	110,208	679	110,887
Interfund Payable	1,341		1,341
Short-term Loan	500,000		500,000
Other Liabilities	52,065		52,065
Deferred Revenue	57,315	696	58,011
Non-current Liabilities (Note 6):			
Due Within One Year	36,260		36,260
Due Beyond One Year	440,660		440,660
Total Liabilities	<u>1,197,849</u>	<u>1,375</u>	<u>1,199,224</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	3,218,217	7,974	3,226,191
Restricted for:			
General Fund	1,005,114		1,005,114
Capital Projects Fund	625,880		625,880
Unrestricted	(449,818)	32,868	(416,950)
Total Net Assets	<u>\$ 4,399,393</u>	<u>\$ 40,842</u>	<u>\$ 4,440,235</u>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**RUNNEMEDE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,588,329	\$ -	\$ 388,992	\$ (3,199,337)	\$ -	\$ (3,199,337)
Special Education	1,117,505			(1,117,505)		(1,117,505)
Other Instruction	208,999			(208,999)		(208,999)
Support Services:						
Tuition	605,307			(605,307)		(605,307)
Student & Instruction Related Services	1,329,739		165,615	(1,164,124)		(1,164,124)
General and Business Administrative Services	373,280			(373,280)		(373,280)
School Administrative Services	339,475			(339,475)		(339,475)
Central Services	167,341			(167,341)		(167,341)
Admin Info Tech	28,116			(28,116)		(28,116)
Plant Operations and Maintenance	708,219			(708,219)		(708,219)
Pupil Transportation	226,354			(226,354)		(226,354)
Employee Benefits	3,012,067		926,103	(2,085,964)		(2,085,964)
Amortization of Debt Issue Costs	2,349			(2,349)		(2,349)
Interest on Long-term Debt	9,303			(9,303)		(9,303)
Unallocated Depreciation	79,622			(79,622)		(79,622)
Total Governmental Activities	11,796,005		1,480,710	(10,315,295)		(10,315,295)
Business-type Activities:						
Food Service	245,745	73,929	124,896		(46,920)	(46,920)
Total Business-type Activities	245,745	73,929	124,896		(46,920)	(46,920)
Total Primary Government	\$12,041,750	\$ 73,929	\$ 1,605,606	\$ (10,315,295)	\$ (46,920)	\$ (10,362,215)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 5,071,086	\$ -	\$ 5,071,086
Federal, State and Local Aid Not Restricted				6,300,716		6,300,716
Investment Earnings				687	9	696
Miscellaneous Income				67,604		67,604
Fixed Asset Adjustment				244,207	(1,094)	243,113
Transfers - Food Service				(48,060)	48,060	
Total General Revenues, Special Items, Extraordinary Items and Transfers				11,636,240	46,975	11,683,215
Change in Net Assets				1,320,945	55	1,321,000
Net Assets—Beginning				3,078,448	40,787	3,119,235
Net Assets—Ending				\$ 4,399,393	\$ 40,842	\$ 4,440,235

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,061,891	\$ 35,198	\$ 451,539	\$ 1,548,628
State Aid Receivable	109,329	12,446	514,617	636,392
Federal Aid Receivable	5,331	194,290		199,621
Interfund Receivable	540,752			540,752
Other Receivables	9,157			9,157
Total Assets	\$ 1,726,460	\$ 241,934	\$ 966,156	\$ 2,934,550
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 84,341	\$ 25,867	\$	\$ 110,208
Short-term Loan			500,000	500,000
Interfund Payable	16,114	106,687	434,065	556,866
Due to State		43,577		43,577
Due to Federal Agency		8,488		8,488
Deferred Revenue		57,315		57,315
Total Liabilities	100,455	241,934	934,065	1,276,454
Fund Balances:				
Restricted For:				
Excess Surplus	526,806			526,806
Excess surplus - Designated for				
Subsequent Year's Expenditures	75,173			75,173
Maintenance Reserve Account	75,000			75,000
Capital Reserve Account	593,789			593,789
Committed To:				
Year-End Encumbrances	112,643		3,072	115,715
Assigned Fund Balance - Designated				
for Subsequent Year's Expenditures	328,135			328,135
Unassigned, Reported In:				
General Fund Balance	(85,541)			(85,541)
Capital Projects Fund			29,019	29,019
Total Fund Balances	1,626,005		32,091	1,658,096
Total Liabilities and Fund Balances	\$ 1,726,460	\$ 241,934	\$ 966,156	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

The Cost associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The total bond issue costs net of accumulated amortization at June 30, 2012 is \$0

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,066,444 and the accumulated depreciation is \$2,848,227 (See Note 5) 3,218,217

Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6). (476,920)

Net Assets of Governmental Activities \$ 4,399,393

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,374,873	\$ -	\$	\$ 176,923	\$ 6,551,796
Tuition from Individuals	49,209				49,209
Interest Earned on Investments	266				266
Interest Earned on Capital Reserve Funds	421				421
Miscellaneous	8,404	9,946	45		18,395
Total - Local Sources	6,433,173	9,946	45	176,923	6,620,087
State Sources	5,445,761	120,994	3,303	86,202	5,656,260
Federal Sources	193,413	451,043			644,456
Total Revenues	12,072,347	581,983	3,348	263,125	12,920,803
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	3,188,051	388,992			3,577,043
Special Education Instruction	1,117,505				1,117,505
Other Instruction	208,999				208,999
Support Services:					
Tuition	605,307				605,307
Student & Instruction Related Services	1,164,124	165,615			1,329,739
General Administrative Services	371,850				371,850
School Administrative Services	339,475				339,475
Central Services	167,341				167,341
Admin Info Tech	28,116				28,116
Plant Operations and Maintenance	613,830				613,830
Pupil Transportation	226,354				226,354
Employee Benefits	3,030,388	27,376			3,057,764
Capital Outlay	50,208		47,373		97,581
Debt Service:					
Interest and Other Charges				13,125	13,125
Principal				250,000	250,000
Total Expenditures	11,111,548	581,983	47,373	263,125	12,004,029
Excess (Deficiency) of Revenues Over Expenditures	960,799	-	(44,025)	-	916,774
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out - Food Service	(48,060)				(48,060)
Transfer from Capital Projects Fund	45		(45)	(45)	
Total Other Financing Sources and Uses	(48,015)		(45)	(45)	(48,060)
Net Change in Fund Balances	912,784		(44,070)		868,714
Fund Balance—July 1	713,221		76,161		789,382
Fund Balance—June 30	\$ 1,626,005	\$ -	\$ 32,091	\$ -	\$ 1,658,096

The accompanying Notes to Financial Statements are an integral part of this statement.



**RUNNEMEDE BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ 868,714

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(186,727)	
Fixed Asset Adjustment		244,207	
Capital outlays		97,581	
			155,061

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

General Obligation Bonds			250,000
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In the statement of activities, interest on long-term debt is accrued regardless of when it is due.

In the governmental funds, interest is reported when due.			3,822
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Bond issued costs are expended in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

(2,349)

In the statement of activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

45,697

Change in net assets of governmental activities (A-2)	\$	1,320,945	
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The accompanying Notes to Financial Statements are an integral part of this statement.

**PROPRIETARY FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 15,288	\$ 15,288
Accounts Receivable	4,153	4,153
Interfund Receivable	14,773	14,773
Inventory	29	29
Total Current Assets	34,243	34,243
Fixed Assets:		
Equipment	14,597	14,597
Accumulated Depreciation	(6,623)	(6,623)
Total Fixed Assets	7,974	7,974
Total Assets	42,217	42,217
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable	679	679
Deferred Revenue	696	696
Total Current Liabilities	1,375	1,375
<b>NET ASSETS:</b>		
Invested in Capital Assets Net of Related Debt	7,974	7,974
Unrestricted	32,868	32,868
Total Net Assets	\$ 40,842	\$ 40,842

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 41,867	\$ 41,867
Daily Sales - Non-reimbursable Programs	32,062	32,062
Total Operating Revenue:	73,929	73,929
Operating Expenses:		
Salaries	87,943	87,943
Employee Benefits	10,869	10,869
Management Fee	10,200	10,200
Supplies and Materials	10,212	10,212
Cost of Sales	108,317	108,317
Depreciation	973	973
Repairs and Other Expenses	17,231	17,231
Total Operating Expenses	245,745	245,745
Operating Income (Loss)	(171,816)	(171,816)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,351	2,351
Federal Sources:		
National School Lunch Program	90,641	90,641
National School Breakfast Program	18,874	18,874
Food Distribution Program	13,030	13,030
Fixed Asset Adjustment	(1,094)	(1,094)
Interest	9	9
Total Non-operating Revenues (Expenses)	123,811	123,811
Income (Loss) Before Contributions & Transfers	(48,005)	(48,005)
Transfers In (Out)	48,060	48,060
Change in Net Assets	55	55
Total Net Assets—Beginning	40,787	40,787
Total Net Assets—Ending	\$ 40,842	\$ 40,842

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Business-type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 73,929	\$ 73,929
Payments to Employees	(87,943)	(87,943)
Payments for Employee Benefits	(10,869)	(10,869)
Payments to Suppliers	(128,164)	(128,164)
Net Cash Provided by (used for) Operating Activities	(153,047)	(153,047)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,351	2,351
Federal Sources	109,515	109,515
Operating Subsidies and Transfers to Other Funds	48,060	48,060
Net Cash Provided by (used for) Non-capital Financing Activities	159,926	159,926
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Fixed Asset Adjustment	(1,094)	(2,241)
Purchases of Capital Assets	(3,003)	(2,241)
Net Cash Provided by (used for) Capital and Related Financing Activities	(4,097)	(2,241)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	9	9
Net Cash Provided by (used for) Investing Activities	9	9
Net Increase (Decrease) in Cash and Cash Equivalents	2,791	4,647
Balances—Beginning of Year	12,497	12,497
Balances—End of Year	\$ 15,288	\$ 17,144
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (171,816)	\$ (171,816)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization	973	973
Food Distribution Program	13,030	13,030
(Increase)/Decrease in Accounts Receivable, Net	(4,035)	(4,035)
(Increase)/Decrease in Interfund Receivable	8,045	8,045
(Increase)/Decrease in Inventory	90	90
Increase/(Decrease) in Accounts Payable	(30)	(30)
Increase/(Decrease) in Deferred Revenue	696	696
Increase/(Decrease) in Compensated Absences	0	0
Total Adjustments	18,769	18,769
Net Cash Provided by (used for) Operating Activities	\$ (153,047)	\$ (153,047)

**Noncash Noncapital Financing Activities:**

During the year, the district received \$9,899 of food commodities from the U. S. Department of Agriculture

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	Unemployment Compensation Insurance Trust		Agency Funds Student Activity		Payroll
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 88,416	\$	23,436	\$	66,188
Due from General Fund					1,341
Total Assets	<u>88,416</u>		<u>23,436</u>		<u>67,529</u>
<b>LIABILITIES</b>					
Accounts Payable					
Payable to Student Groups			23,436		
Payroll Deductions and Withholdings					67,529
Total Liabilities		\$	<u>23,436</u>	\$	<u>67,529</u>
<b>NET ASSETS</b>					
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>88,416</u>				

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Unemployment Compensation Insurance Trust</b>
<b>ADDITIONS</b>	
Contributions - Employee	\$ 16,698
Interest Earnings	247
	<hr/>
Total Additions	16,945
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims	32,291
	<hr/>
Total Deductions	32,291
	<hr/>
Change in Net Assets	(15,346)
Net Assets—Beginning of the Year	103,762
	<hr/>
Net Assets—End of the Year	\$ 88,416
	<hr/> <hr/>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**FIDUCIARY FUNDS**



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Description of Reporting Entity:**

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2012 of 862 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation:**

The financial statements of the Board of Education (Board) of the Runnemede School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation: (Cont'd)**

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**District-wide Statements** - The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**B. Fund Accounting:**

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (Cont'd)**

**GOVERNMENTAL FUNDS** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District recorded three new NJSDA Projects during the year in the Capital Projects Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Permanent Fund** - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the school district or its students. The School District does not maintain a Permanent Fund.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (Cont'd)**

**PROPRIETARY FUNDS** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - These funds are used to account for operations:

- 1 That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
- 2 Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Food Service Fund** - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

**FIDUCIARY FUNDS** - Fiduciary Fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (Cont'd)**

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Unemployment Compensation Insurance Fund is an Expendable Trust Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**C. Measurement Focus:**

**District-wide Financial Statements** - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets, with the exception of the Fiduciary Funds.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

Like the district-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measureable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Accounting: (Cont'd)**

**Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-2.3. The Board did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund, as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Budgets/Budgetary Control: (Cont'd)**

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General Fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

**F. Encumbrance Accounting:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments state at cost. All other investments would be stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions of which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Cash, Cash Equivalents and Investments: (Cont'd)**

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2012 the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:**

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

**H. Tuition Receivable:**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**I. Tuition Payable:**

Tuition charges for the fiscal years ended June 30, 2012, 2011 and 2010 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Inventories:**

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

There was no Federal Commodity Inventory balance as of June 30, 2012, maintained at the Bellmawr School District that provides meals to the Runnemed School District.

**K. Prepaid Expenses:**

Prepaid expenses recorded on the district-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**L. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**M. Restricted Assets:**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

**N. Deferred Charges:**

On the District-wide financial statements, bond issue costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Deferred revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**O. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Governmental Activities Estimated Lives</u></b>	<b><u>Business-Type Activities Estimated Lives</u></b>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

**P. Compensated Absences:**

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**P. Compensated Absences: (Cont'd)**

The entire compensated absence liability is reported on the district-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Q. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**R. Deferred Revenue:**

Deferred revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

**S. Net Assets:**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**T. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**V. Interfund Activity:**

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

**W. Management Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

**X. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Y. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Z. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

As of June 30, 2012, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Equivalents</u>
Checking accounts	\$ 1,741,956
Investments	<u>0</u>
Total	<u>\$ 1,741,956</u>

**Custodial Credit Risk**

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of the GUDPA Act as described in Note 2.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2012, the District's bank balance of \$2,153,035 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>1,903,035</u>
Total	<u>\$ 2,153,035</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Runnemede Board of Education by inclusion of \$100,000 on June 30, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$	168,368
2011-12 Addition		425,000
Interest Earnings		421
		<hr/> 593,789
Less: Transfers Out		
Ending Balance, June 30, 2012	\$	<hr/> <hr/> 593,789

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$678,581. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 29,083	\$ -	\$ -	\$ 29,083
Construction in Progress	884,472	47,373	(931,845)	-
Total Capital Assets not being Depreciated	913,555	47,373	(931,845)	29,083
Site Improvements	251,013		81,167	332,180
Building and Building Improvements	4,374,332	20,854	931,845	5,327,031
Equipment	1,904,990	29,354	(1,556,194)	378,150
Totals at Historical Cost	6,530,335	50,208	(543,182)	6,037,361
Less Accumulated Depreciation for :				
Site Improvements	(212,116)	(9,421)	(54,220)	(275,757)
Building and Improvements	(2,408,758)	(162,302)	294,464	(2,276,596)
Equipment	(1,759,860)	(15,004)	1,478,990	(295,874)
Total Accumulated Depreciation	(4,380,734)	(186,727)	1,719,234	(2,848,227)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	2,149,601	(136,519)		3,189,134
<b>Government Activities Capital Assets, Net</b>	<b>\$ 3,063,156</b>	<b>\$ (89,146)</b>	<b>\$ 244,207</b>	<b>\$ 3,218,217</b>
				<b>To A-1</b>
Business-type Activities - Equipment	\$ 12,356	\$ 4,097	\$ (1,856)	\$ 14,597
Less Accumulated Depreciation	(6,412)	(973)	762	(6,623)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 5,944</b>	<b>\$ 3,124</b>	<b>\$ (1,094)</b>	<b>\$ 7,974</b>

Depreciation Expense in the amount of \$186,727 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 11,286
Plant Operations	94,389
Central Administration	1,430
Unallocated	79,622
	<u>\$ 186,727</u>



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 6. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2012 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	\$ 250,000	\$	\$ 250,000	\$ -	\$	\$
Total Bonds Payable	250,000		250,000	-	-	
Other Liabilities:						
Compensated Absences Payable	522,617		45,697	476,920	36,260	440,660
Total Other Liabilities	\$ 772,617	\$	\$ 295,697	\$ 476,920	\$ 36,260	\$ 440,660
<b>Business-Type Activities:</b>						
Compensated Absences Payable	\$ -	\$	\$	\$	\$	\$

**A. Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

1997 General Obligation Bonds dated March 15, 1997 in the amount of \$2,950,000 due in annual installments through March 15, 2012, bearing interest rate of 5.125% to 5.25%. The Bonds were paid-off during the 2011-2012 school year.

Therefore, no principal and interest due on bonds is outstanding as of June 30, 2012.

**B. Bonds Authorized But Not Issued - As of June 30, 2012**      None.

**C. Capital Leases**      None.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7. OPERATING LEASES**

At June 30, 2012, the District had an operating lease agreement for copiers. In addition, a new lease for ipads and carts was approved, with payments due through the 2014-2015 school year. Future minimum lease payments are as follows:

Year ending June 30,	<u>Amount</u>
2013	\$ 46,592
2014	39,057
2015	<u>39,057</u>
Total future minimum lease payments	<u>\$ 124,706</u>

**NOTE 8. PENSION PLANS**

**Description of Plans** – Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

**Teachers' Pension and Annuity Fund** – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

**Public Employees' Retirement System** – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 8. PENSION PLANS (CONT'D)**

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

**Three-Year Trend Information for PERS**

<b><u>Year of Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/12	\$ 148,851	100 %	\$ 148,851
6/30/11	143,399	100	143,399
6/30/10	106,505	100	106,505

The District chose not to defer PERS Pension costs for the 2009-10 year.

**Three-Year Trend Information for TPAF (Paid on-behalf of the District)**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/12	\$ 510,746	100 %	\$ 0
6/30/11	347,179	100	0
6/30/10	346,792	100	0

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$169,668 to the TPAF for Non-Contributory Insurance, \$341,078 for post-retirement medical benefits and no normal contribution on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$387,981 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 9. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**NOTE 10. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2012, a liability existed for compensated absences in the governmental fund in the amount \$476,920.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 11. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Aetna	Lincoln Investment Planning
Fidelity Investments	Vanguard AXA Equitable

**NOTE 12. CONTINGENCIES**

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

**NOTE 13. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

**Property and Liability Insurance** - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Joint Insurance Pool**- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 13. RISK MANAGEMENT (CONT'D)**

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 247	\$ 16,698	\$ 32,291	\$ 88,416
2010-2011	42,557	11,417	74,058	103,762
2009-2010	385	12,592	17,103	123,846

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 540,752	\$ 16,114
Special Revenue Fund		106,687
Payroll Agency	1,341	
Capital Projects Fund		434,065
Food Service Fund	14,773	
Total	\$ 556,866	\$ 556,866

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$1,626,005 General Fund balance at June 30, 2012, \$112,643 is reserved for encumbrances; \$593,789 has been reserved in the Capital Reserve Account; \$75,000 is reserved for Maintenance Reserve; \$601,979 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$75,173 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$328,135 has been appropriated and also included as anticipated revenue for the year ending June 30, 2012; and there is a deficit in unreserved and undesignated fund balance of (\$85,541).

**Debt Service Fund** - There is no fund balance in the Debt Service Fund at June 30, 2012.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (\$1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$601,979 of which \$526,806 must be budgeted in the 2013-14 budget.

**NOTE 17. DEFICIT FUND BALANCES**

The District has a deficit in Unrestricted fund balance of \$85,541 in the General Fund and no deficit in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$410,498.

**NOTE 18. RECEIVABLES**

Receivables at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Receivables:					
Federal	\$ 5,331	\$ 194,290	\$	\$ 4,064	\$ 203,685
State	109,329	12,446	514,617	77	636,469
Other Governmental Units	9,157				9,157
Other				12	12
Totals	<u>\$ 123,817</u>	<u>\$ 206,736</u>	<u>\$ 514,617</u>	<u>\$ 4,153</u>	<u>\$ 849,323</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 19. LITIGATION**

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District. There are, however, two matters received through direct written communication from the Solicitor as follows:

There is one matter arising several years ago involving a belief that there were questionable roof repair expenditures in prior years, "performed without the requisite conformity to the Public School Bidding Laws". No opinion was expressed as to the probable outcome of this matter, which has been referred to the New Jersey Department of Education. The other matter involves an Open Public Records Request.

End of Notes to Financial Statements



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 6,374,873	\$	\$ 6,374,873	\$ 6,374,873	\$
Tuition From Individuals	15,000		15,000	49,209	34,209
Interest on Investments	11,000		11,000	266	(10,734)
Interest Earned on Capital Reserve				421	421
Miscellaneous				8,404	8,404
Total - Local Sources	6,400,873		6,400,873	6,433,173	32,300
State Sources:					
Equalization Aid	3,889,612		3,889,612	4,012,984	123,372
Special Education Aid	440,499		440,499	440,499	
School Choice				21,432	21,432
Extraordinary Aid	15,000		15,000	86,651	71,651
Non-Public Transportation				3,306	3,306
Anti-bullying Aid				141	141
On-behalf TPAF Non-Contributory Ins				169,668	169,668
On-behalf TPAF Post Retirement Medical Contribution				341,078	341,078
Reimbursement TPAF Social Security				387,981	387,981
Total - State Sources	4,345,111		4,345,111	5,463,740	1,118,629
Federal Sources:					
Education Jobs Fund	159,834	5,007	164,841	164,841	
Medicaid Reimbursement	16,500		16,500	28,572	12,072
Total - Federal Sources	176,334	5,007	181,341	193,413	12,072
<b>TOTAL REVENUES</b>	<b>\$ 10,922,318</b>	<b>\$ 5,007</b>	<b>\$ 10,927,325</b>	<b>\$ 12,090,326</b>	<b>\$ 1,163,001</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 269,326	\$ (14,000)	\$ 255,326	\$ 243,150	\$ 12,176
Grades 1-5	1,633,034	4,733	1,637,767	1,550,936	86,831
Grades 6-8	1,206,644	(34,769)	1,171,875	1,140,580	31,295
Home instruction:					
Salaries of Teachers	5,000	1,675	6,675	6,593	82
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	24,981	27,086	52,067	52,067	
Other Purchased Services	54,422		54,422	51,653	2,769
General Supplies	190,746	16,550	207,296	129,131	78,165
Textbooks	13,400	666	14,066	13,941	125
Total Regular Programs	3,397,553	1,941	3,399,494	3,188,051	211,443

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Instruction:					
General Supplies	\$	\$ 2,357	\$ 2,357	\$ 2,062	\$ 295
Total Instruction		2,357	2,357	2,062	295
Multiple Disabilities:					
Salaries of Teachers	51,002	1,305	52,307	51,347	960
Other Salaries for Instruction	37,944	15,901	53,845	52,745	1,100
General Supplies	2,500		2,500	2,217	283
Total Multiple Disabilities	91,446	17,206	108,652	106,309	2,343
Resource Room:					
Salaries of Teachers	796,340	(1,305)	795,035	780,085	14,950
Other Salaries for Instruction	58,711	48,725	107,436	98,454	8,982
General Supplies	1,963	1,100	3,063	2,915	148
Total Resource Room	857,014	48,520	905,534	881,454	24,080
Preschool Disabilities - Part Time:					
Salaries of Teachers	54,938		54,938	53,538	1,400
Other Salaries for Instruction	75,102	(1,383)	73,719	73,388	331
General Supplies	793		793	754	39
Total Preschool Disabilities	130,833	(1,383)	129,450	127,680	1,770
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,079,293</b>	<b>66,700</b>	<b>1,145,993</b>	<b>1,117,505</b>	<b>28,488</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	184,220	(34,073)	150,147	143,438	6,709
General Supplies	279	20	299	278	21
Total Basic Skills/Remedial-Instruction	184,499	(34,053)	150,446	143,716	6,730
Bilingual Education-Instruction					
Salaries of Teachers	18,874	133	19,007	19,005	2
Total Bilingual Education-Instruction	18,874	133	19,007	19,005	2
School Sponsored Co-curricular Activities:					
Salaries	10,496	10,626	21,122	21,122	
Supplies and Materials	3,000	(1,460)	1,540	348	1,192
Total School Sponsored Co-curricular Activities	13,496	9,166	22,662	21,470	1,192
School Sponsored Athletics:					
Salaries	15,440	4,441	19,881	19,881	
Supplies and Materials	4,447	(3,278)	1,169	1,038	131
Other Objects	3,500	404	3,904	3,889	15
Total School Sponsored Athletics	23,387	1,567	24,954	24,808	146
Other Instructional Programs:					
Before/After School Programs - Instruction:					
Salaries					
Total Other Instructional Programs					
<b>Total Instruction</b>	<b>4,717,102</b>	<b>45,454</b>	<b>4,762,556</b>	<b>4,514,555</b>	<b>248,001</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENDITURES: (Continued)</b>					
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	\$	\$ 13,571	\$ 13,571	\$	\$ 13,571
Tuition - Other LEAs Within the State - Special	86,367	(47,241)	39,126	11,729	27,397
Tuition - Co Spec Serv and Regional Day Schools	351,380	(12,830)	338,550	338,550	
Tuition to Private Schools for the Disabled Within State	300,142	(15,110)	285,032	255,028	30,004
Total Undistributed Expenditures - Instruction	737,889	(61,610)	676,279	605,307	70,972
Health Services:					
Salaries	159,995	(3,220)	156,775	156,240	535
Purch Prof/ Tech Services	1,925	4,675	6,600	5,411	1,189
Other Purchased Services	890	(130)	760	463	297
Supplies and Materials	3,184	280	3,464	3,067	397
Total Health Services	165,994	1,605	167,599	165,181	2,418
Other Support Services - Students - Extra Services					
Salaries	183,066	(56,833)	126,233	93,317	32,916
Purchased Professional - Educational Services	3,400	50,260	53,660	47,309	6,351
Supplies and Materials	1,700	(950)	750	668	82
Total Extra Services	188,166	(7,523)	180,643	141,294	39,349
Other Support Services - Students - Related Services:					
Salaries	131,636	3,600	135,236	134,301	935
Purchased Prof Ed Services	58,800	(3,600)	55,200	41,374	13,826
Supplies and Materials	520	178	698	667	31
Total Related Services	190,956	178	191,134	176,342	14,792
Guidance:					
Salaries Other Professionals	145,653	(250)	145,403	145,340	63
Other Purchased Professional and Technical Services		440	440	440	
Supplies and Materials	932	850	1,782	1,735	47
Total Guidance	146,585	1,040	147,625	147,515	110
Child Study Team					
Salaries of Other Professional Staff	235,615	(50,222)	185,393	180,143	5,250
Salaries Secr. & Clerical Asst.	28,091		28,091	28,091	
Purchased Professional - Educational Services	4,500	74,600	79,100	63,551	15,549
Misc Purch Services	850	(255)	595	595	
Supplies and Materials	3,550	269	3,819	3,819	
Total Child Study Team	272,606	24,392	296,998	276,199	20,799
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	18,654	(85)	18,569	17,133	1,436
Salaries of Other Professional Staff	80,746	483	81,229	81,226	3
Purchased Professional and Educational Services	3,000	(398)	2,602		2,602
Total Improvement of Instruction Services/Other Support	102,400		102,400	98,359	4,041
Educational Media Services/School Library:					
Salaries	53,928	(1,443)	52,485	51,525	960
Salaries of Technology Coordinators	64,688	5,985	70,673	70,673	
Purchased Professional and Technical Services	6,022	(1,197)	4,825	4,197	628
Supplies and Materials	9,158	(225)	8,933	8,532	401
Total Educational Media Services/School Library:	133,796	3,120	136,916	134,927	1,989

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 24,030	\$ 277	\$ 24,307	\$ 24,307	\$
Purchased Professional and Educational Services	4,920	(277)	4,643		4,643
Total Inst. Staff Training Services	28,950		28,950	24,307	4,643
Support Services General Administration:					
Salaries	217,500	(254)	217,246	215,984	1,262
Legal Services	30,000	(2,569)	27,431	21,845	5,586
Audit Fees	18,500	(330)	18,170	17,595	575
Architectural/Engineering Services	5,000	(1,475)	3,525		3,525
Other Purchased Professional Services	8,800	(2,980)	5,820	4,200	1,620
Communication/Telephone	71,500	(1,947)	69,553	31,444	38,109
BOE Other Purchased Prof. Services	2,000	(500)	1,500	779	721
Other Purchased Services	60,200	8,835	69,035	68,075	960
General Supplies	2,500	(1,009)	1,491	788	703
Miscellaneous Expenditures	3,250		3,250	2,925	325
BOE Membership Dues and Fees	7,750	500	8,250	8,215	35
Total Support Services General Administration	427,000	(1,729)	425,271	371,850	53,421
Support Services School Administration:					
Salaries of Principals/Assistant Principals	213,671	(689)	212,982	212,981	1
Salaries of Secretarial and Clerical Assistants	112,112	7,488	119,600	119,598	2
Supplies and Materials	7,600	(3,168)	4,432	4,432	
Other Objects	3,000	(536)	2,464	2,464	
Total Support Services School Administration	336,383	3,095	339,478	339,475	3
Central Services:					
Salaries	135,623	18,352	153,975	153,834	141
Purchased Professional Services	5,654		5,654	5,554	100
Purchased Technical Services	2,695		2,695	2,695	
Miscellaneous Purchased Services	800	(386)	414	414	
Supplies and Materials	5,500	(1,196)	4,304	4,304	
Other Objects	1,000	(460)	540	540	
Total Central Services	151,272	16,310	167,582	167,341	241
Admin. Info. Technology:					
Purchased Technical Services	53,456	(12,986)	40,470	28,116	12,354
Other Purchased Services	5,615	(5,290)	325		325
Supplies and Materials	2,500	(2,000)	500		500
Total Admin. Info. Technology	61,571	(20,276)	41,295	28,116	13,179
Required Maintenance for School Facilities:					
Salaries	51,000		51,000	51,000	
Cleaning, Repair and Maintenance Services	14,000	(377)	13,623	10,842	2,781
General Supplies	14,450	(3,270)	11,180	9,145	2,035
Other Objects		598	598	598	
Total Required Maintenance for School Facilities	79,450	(3,049)	76,401	71,585	4,816

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Other Operation and Maintenance of Plant- Custodial Services:					
Salaries	\$ 255,186	\$	\$ 255,186	\$ 249,239	\$ 5,947
Salaries of Non-Instructional Aides	96,955	(50,000)	46,955	44,926	2,029
Purchased Prof & Tech Services	2,500	1,400	3,900	3,900	
Cleaning, Repair and Maintenance Services	3,600		3,600	2,633	967
Other Purchased Property Services	47,300		47,300	43,054	4,246
Insurance	6,500	(790)	5,710	5,708	2
Travel		753	753	355	398
Miscellaneous Purchased Services	2,500	(1,500)	1,000	277	723
General Supplies	33,850	(2,666)	31,184	17,869	13,315
Energy (Natural Gas)	81,000		81,000	35,122	45,878
Energy (Electricity)	154,000		154,000	129,726	24,274
Other Objects		92	92	92	
Total Other Operation and Maintenance of Plant - Custodial	683,391	(52,711)	630,680	532,901	97,779
Total Operation and Maintenance of Plant Services	762,841	(55,760)	707,081	604,486	102,595
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	13,550	(2,240)	11,310	2,141	9,169
General Supplies	2,700		2,700	1,296	1,404
Total Care & Upkeep of Grounds	16,250	(2,240)	14,010	3,437	10,573
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	7,313	350	7,663	5,907	1,756
General Supplies	1,050	(350)	700		700
Total Security	8,363		8,363	5,907	2,456
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	5,000		5,000	2,746	2,254
Contracted Services (Bet Home/School) - Vendor	90,000	(45,009)	44,991	37,924	7,067
Contracted Services (Not Bet Home/School) - Vendors	9,500		9,500	8,304	1,196
Contracted Services (Sp. Ed. Stds.) - Vendors	36,800	48,569	85,369	76,152	9,217
Contracted Services (Special Ed. Students) - ESCs & CTSA	170,100	(3,560)	166,540	83,812	82,728
Contracted Services - Aid in Lieu of Payments - Nonpublic	35,000		35,000	17,416	17,584
Total Student Transportation Services	346,400		346,400	226,354	120,046
Unallocated Employee Benefits:					
Social Security Contributions	155,000		155,000	107,127	47,873
Other Retirement Contributions - Regular	160,000		160,000	149,601	10,399
Unemployment Compensation	73,000		73,000	354	72,646
Workers Compensation	85,000		85,000	76,848	8,152
Health Benefits	1,919,150	16,386	1,935,536	1,709,991	225,545
Tuition Reimbursement	20,000		20,000	7,842	12,158
Other Employee Benefits	87,462		87,462	79,898	7,564
Total Unallocated Employee Benefits	2,499,612	16,386	2,515,998	2,131,661	384,337
On-behalf TPAF Non-Contributory Insurance				169,668	(169,668)
On-behalf TPAF Post Retirement Medical Contribution				341,078	(341,078)
Reimbursement TPAF Social Security				387,981	(387,981)
Total Personal Services - Employee Benefits	2,499,612		2,515,998	3,030,388	(514,390)
Total Undistributed Expenditures	6,577,034	(83,012)	6,494,022	6,546,785	(52,763)
TOTAL EXPENDITURES - CURRENT EXPENSE	11,294,136	(37,558)	11,256,578	11,061,340	195,238

**RUNNEMEDE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Increase in Capital Reserve	\$	\$	\$	\$	\$
Undistributed Expenditures:					
Support Services - Related & Extraordinary Grades 1-5	6,000	20,755	26,755	26,754	1
Undistributed Expenditures - General Admin.	8,000	(5,400)	2,600	2,600	
Required Maintenance for School Facilities	32,000	6,000	38,000	20,854	17,146
Total Equipment	46,000	21,355	67,355	50,208	17,147
Facilities Acquisition and Construction Services:					
Total Facilities Acquisition and Construction Services					
<b>TOTAL CAPITAL OUTLAY</b>	46,000	21,355	67,355	50,208	17,147
<b>TOTAL EXPENDITURES</b>	11,340,136	(16,203)	11,323,933	11,111,548	212,385
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(417,818)	21,210	(396,608)	978,778	1,375,386
Other Financing Sources (Uses):					
Operating Transfer out - Food Service Deficit		(50,000)	(50,000)	(48,060)	1,940
Transfer from Capital Projects Fund				45	45
Total Other Financing Sources		(50,000)	(50,000)	(48,015)	1,985
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(417,818)	(28,790)	(446,608)	930,763	1,377,371
Fund Balances, July 1	1,105,740		1,105,740	1,105,740	
Fund Balances, June 30	\$ 687,922	\$ (28,790)	\$ 659,132	\$ 2,036,503	\$ 1,377,371
<b>RECAPITULATION:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 75,173	
Excess Surplus				526,806	
Maintenance Reserve				75,000	
Capital Reserve				593,789	
<b>Committed Fund Balance:</b>					
Year-End Encumbrances				112,643	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				328,135	
<b>Unassigned Fund Balance</b>				324,957	
				2,036,503	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(410,498)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,626,005	



**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION JOBS FUND SUPPLEMENTARY SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Fund 18</b>					
Instruction					
Multiple Disabilities:					
Other Salaries for Instruction	\$ 36,545	\$ -	\$ 36,545	\$ 36,545	
Resource Room:					
Other Salaries for Instruction	57,365		57,365	57,365	
Preschool Disabilities - Part-time:					
Other Salaries for Instruction	36,545		36,545	36,545	
Total Other Salaries for Instruction	130,455		130,455	130,455	
Total Special Ed Instruction	130,455		130,455	130,455	
Undistributed					
Other Support Services - Students - Extra Service					
Salaries	18,000		18,000	18,000	
Total Other Support Services	18,000		18,000	18,000	
Unallocated Benefits					
Health Benefits	11,379	5,007	16,386	16,386	
Total Regular Programs - Instruction	11,379	5,007	16,386	16,386	
Total Education Jobs Fund	\$ 159,834	\$ 5,007	\$ 164,841	\$ 164,841	

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$	\$ 18,323	\$ 18,323	\$ 9,946	\$ 8,377
Federal Sources	254,335	318,247	572,582	494,431	78,151
State Sources		165,081	165,081	121,563	43,518
<b>Total Revenues</b>	<u>254,335</u>	<u>501,651</u>	<u>755,986</u>	<u>625,940</u>	<u>130,046</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	104,335	59,841	164,176	159,252	4,924
Salaries - Other Instructional		5,054	5,054	5,054	
Purchased Professional - Technical Services		74,660	74,660	65,242	9,418
Other Purchased Services	130,000	11,930	141,930	130,000	11,930
General Supplies		68,280	68,280	45,137	23,143
Textbooks		8,505	8,505	6,960	1,545
Other Objects		925	925	815	110
<b>Total Instruction</b>	<u>234,335</u>	<u>229,195</u>	<u>463,530</u>	<u>412,460</u>	<u>51,070</u>
<b>Support Services</b>					
Other Salaries		35,200	35,200	31,688	3,512
Employee Benefits		28,418	28,418	27,376	1,042
Purchased Professional & Technical Services - Other	20,000	30,590	50,590	34,947	15,643
Purchased Professional Edu Services		12,446	12,446		12,446
Other Purchased Services		151,662	151,662	115,921	35,741
Travel		4,958	4,958	1,262	3,696
Supplies and Materials		9,182	9,182	2,286	6,896
<b>Total Support Services</b>	<u>20,000</u>	<u>272,456</u>	<u>292,456</u>	<u>213,480</u>	<u>78,976</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<u>254,335</u>	<u>501,651</u>	<u>755,986</u>	<u>625,940</u>	<u>130,046</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>254,335</u>	<u>501,651</u>	<u>755,986</u>	<u>625,940</u>	<u>130,046</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**RUNNEMEDE BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 12,090,326	[C-2] \$ 625,940
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that		
encumbrances are recognized as expenditures, and the related		
revenue is recognized.		2,995
Prior Year		
Current Year		(46,952)
State aid payment recognized for GAAP statements in current year,		
previously recognized for budgetary purposes.	392,519	
State aid payment recognized for budgetary purposes,		
not recognized for GAAP statements until the subsequent year.	(410,498)	
 Total revenues as reported on the statement of revenues, expenditures		
and changes in fund balances - governmental funds.	[B-2] \$ 12,072,347	[B-2] \$ 581,983
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the		
budgetary comparison schedule	[C-1] \$ 11,111,548	[C-2] \$ 625,940
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but		
not received are reported in the year the order is placed for		
<i>budgetary</i> purposes, but in the year the supplies are received		
for <i>financial reporting</i> purposes.		(43,957)
Transfers to and from other funds are presented as outflows of		
budgetary resources but are not expenditures		
for financial reporting purposes.		
Net transfers (outflows) to general fund		
 Total expenditures as reported on the statement of revenues,		
expenditures, and changes in fund balances - governmental funds	[B-2] \$ 11,111,548	[B-2] \$ 581,983

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)**

	NCLB				I.D.E.A. - Part B				ARRA	IDEA Basic	IDEA PS	Sub-Total Per E-1 (2)	Totals	
	Title I Part A		Title II Part A		Basic 2011-12	Carryover 2010-11	Preschool						2012	2011
	2011-12	2010-11	2011-12	2010-11			2011-12	2010-11						
REVENUES:														
Federal Sources	\$ 160,273	\$ 9,841	\$ 48,900	\$ 9,051	\$ 235,413	\$ 4,805	\$ 7,528	\$ 3,699	\$ 13,274	\$ 1,191	\$ 456	\$ -	\$ 494,431	\$ 461,068
State Sources												121,563	121,563	156,582
Other												9,946	9,946	6,536
Total Revenues	160,273	9,841	48,900	9,051	235,413	4,805	7,528	3,699	13,274	1,191	456	131,509	625,940	624,186
EXPENDITURES:														
Instruction:														
Salaries of Teachers	102,430				48,212	4,464		2,774		1,106	266		159,252	134,729
Salaries - Other Instructional		5,054											5,054	3,888
Purchased Prof/Ed. Services														63,618
Purchased Prof/Tech Services	25,541				27,559							12,142	65,242	
Other Purchased Services					130,000								130,000	146,424
Tuition														
General Supplies	17,942	1,737					2,238		13,274			9,946	45,137	45,316
Textbooks												6,960	6,960	10,629
Other Objects							100	715					815	
Total Instruction	145,913	6,791			205,771	4,464	2,338	3,489	13,274	1,106	266	29,048	412,460	404,604
Support Services:														
Other Salaries			24,000	7,688									31,688	
Personal Services-Employee Benefits	13,270	3,050		588	9,642	341		210		85	190		27,376	16,088
Purchased Prof/Tech Services			9,757		20,000		5,190						34,947	1,674
Purch. Prof. Ed. Services														51,920
Other Purchased Services	1,090		11,720	650								102,461	115,921	133,359
Travel			1,137	125									1,262	6,312
General Supplies			2,286										2,286	10,229
Total Support Services	14,360	3,050	48,900	9,051	29,642	341	5,190	210		85	190	102,461	213,480	219,582
Facilities Acquisition/Construction:														
Construction Services														
Instructional Equipment														
Total Facilities Acquisition/Construction														
Total Expenditures	\$ 160,273	\$ 9,841	\$ 48,900	\$ 9,051	\$ 235,413	\$ 4,805	\$ 7,528	\$ 3,699	\$ 13,274	\$ 1,191	\$ 456	\$ 131,509	\$ 625,940	\$ 624,186

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)**

	Non-Public											
	Chapter 192						Chapter 193		NJSBAIG Safety Grant	Music Grant	Box Tops For Education	Totals 2012
	Textbook Aid	Nursing Aid	Auxiliary Service	Compensatory Education	Homebound Instruction	Transportation	Corrective Speech	Supplemental Instructional Aid				
REVENUES:												
Federal Sources												\$ -
State Sources	\$ 6,960	\$ 12,142	\$ 18,034	\$ 39,053	\$ 12,446	\$ 1,905	\$ 18,326	\$ 12,697				121,563
Other									\$ 4,867	\$ 954	\$ 4,125	9,946
Total Revenues	\$6,960	\$12,142	\$18,034	\$39,053	\$12,446	\$1,905	\$18,326	\$12,697	\$4,867	\$954	\$4,125	131,509
EXPENDITURES:												
Instruction:												
Salaries of Teachers												
Other Purchased Services												
Purchased Prof/Ed. Services												
Purchased Prof/Tech Services		12,142										12,142
General Supplies									4,867	954	4,125	9,946
Textbooks	6,960											6,960
Total Instruction	\$6,960	\$12,142							\$4,867	\$954	\$4,125	29,048
Support Services:												
Other Salaries												
Purchased Services												
Personal Services-Employee Benefits												
Other Purchased Services			18,034	39,053	12,446	1,905	18,326	12,697				102,461
Purchased Prof/Tech Services												
Purch. Prof. Ed. Services												
General Supplies												
Total Support Services			\$18,034	\$39,053	\$12,446	\$1,905	\$18,326	\$12,697				102,461
Facilities Acquisition/Construction:												
Instructional Equipment												
Total Facilities Acquisition/Construction												
Total Expenditures	\$ 6,960	\$ 12,142	\$ 18,034	\$ 39,053	\$ 12,446	\$ 1,905	\$ 18,326	\$ 12,697	\$ 4,867	\$ 954	\$ 4,125	\$ 131,509



## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**EXHIBIT F-1**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
School Security System, Telecommunications, Roof and Emergency Generator Upgrades:					
Bingham School	6/3/10	\$ 420,311	\$ 386,028	\$ 14,812	\$ 19,471
Downing School	6/3/10	318,625	306,181	12,444	-
Mary E. Volz School	6/3/10	225,000	192,263	20,117	12,620
		<u>\$ 963,936</u>	<u>\$ 884,472</u>	<u>\$ 47,373</u>	<u>\$ 32,091</u>

**EXHIBIT F-2**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**Revenues and Other Financing  
Sources**

State Sources - SDA Grant	\$	3,303
Interest		45
		<hr/>
Total revenues		3,348
		<hr/>

**Expenditures and Other Financing Uses**

Architectural Costs		0
Construction Services		47,373
		<hr/>
Total Expenditures		47,373
		<hr/>

Transfer Interest to General Fund (45)

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Excess (Deficiency) of Revenues Over (Under) Expenditures (44,070)

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Fund Balance - Beginning 76,161

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Fund Balance - Ending \$ 32,091

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**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**BINGHAM SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF**  
**AND EMERGENCY GENERATOR UPGRADES**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 224,392	\$	\$ 224,392	\$ 224,392
Transfer from Capital Outlay	116,600		116,600	116,600
Transfer from Capital Reserve Funds	79,319		79,319	79,319
Total Revenues	420,311		420,311	420,311
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	37,002		37,002	59,368
Construction Services	349,026	14,812	363,838	295
Total Expenditures	386,028	14,812	400,840	59,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 34,283	\$ (14,812)	\$ 19,471	\$ 420,311

**Additional Project Information:**

Project Number	4590-020-09-1002
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$420,311
Additional Authorized Cost	\$0
Revised Authorized Cost	\$420,311
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**DOWNING SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF**  
**AND EMERGENCY GENERATOR UPGRADES**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 170,104	\$	\$ 170,104	\$ 170,104
Transfer from Capital Outlay	148,521		148,521	148,521
Transfer from Capital Reserve Funds				
Total Revenues	318,625		318,625	318,625
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	27,751		27,751	81,870
Construction Services	278,430	12,444	290,874	236,755
Total Expenditures	306,181	12,444	318,625	318,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 12,444	\$ (12,444)	\$	\$ 318,625

**Additional Project Information:**

Project Number	4590-020-09-1003
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$318,625
Additional Authorized Cost	\$0
Revised Authorized Cost	\$318,625
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**MARY E. VOLZ SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF**  
**AND EMERGENCY GENERATOR UPGRADES**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 116,818	\$ 3,303	\$ 120,121	\$ 120,121
Transfer from Capital Outlay	104,879		104,879	104,879
Transfer from Capital Reserve Funds				
Total Revenues	221,697	3,303	225,000	225,000
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	18,708		18,708	81,870
Construction Services	173,566	20,117	193,683	143,130
Total Expenditures	192,274	20,117	212,391	225,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 29,423	\$ (16,814)	\$ 12,609	\$ 225,000
<b>Additional project information:</b>				
Project Number	4590-020-09-1004			
Grant Date/Letter of Notification	6/3/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$225,000			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$225,000			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	100%			
Original Target Completion Date	11/12/2010			
Revised Target Completion Date	11/1/2011			

Note: The total project amount approved by the NJSDA is \$963,936, of which \$514,617 represents a grant.

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2012 AND 2011**

	<b>Food Service Enterprise Fund</b>	<b>Totals</b>	<b>2012</b>	<b>2011</b>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 15,288	\$ 15,288	\$ 12,497	
Interfund Receivable	14,773	14,773	22,818	
Accounts Receivable:				
State	77	77		
Federal	4,064	4,064		
Other	12	12		118
Inventory	29	29		119
Total Current Assets	<u>34,243</u>	<u>34,243</u>	<u>35,552</u>	
Fixed Assets:				
Equipment	14,597	14,597	12,356	
Accumulated Depreciation	(6,623)	(6,623)	(6,412)	
Total Fixed Assets	<u>7,974</u>	<u>7,974</u>	<u>5,944</u>	
Total Assets	<u>42,217</u>	<u>42,217</u>	<u>41,496</u>	
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	679	679	709	
Deferred Revenue	696	696		
Total Current Liabilities	<u>1,375</u>	<u>1,375</u>	<u>709</u>	
<b>NET ASSETS:</b>				
Invested in Capital Assets Net of Related Debt	7,974	7,974	5,944	
Unrestricted	32,868	32,868	34,843	
Total Net Assets	<u>\$ 40,842</u>	<u>\$ 40,842</u>	<u>\$ 40,787</u>	



**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**AS OF JUNE 30, 2012 AND 2011**

	<b>Food Service Enterprise Fund</b>	<b>Totals</b>	
		<b>2012</b>	<b>2011</b>
<b>OPERATING REVENUES:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 40,455	\$ 40,455	\$ 41,941
School Breakfast Program	1,412	1,412	995
Total Daily Sales - Reimbursable Programs	41,867	41,867	42,936
Daily Sales Non-Reimbursable Programs	32,062	32,062	33,286
Total Operating Revenue	73,929	73,929	76,222
<b>OPERATING EXPENSES:</b>			
Salaries	87,943	87,943	67,411
Employee Benefits	10,869	10,869	3,473
Supplies and Materials	10,212	10,212	9,066
Cost of Sales	108,317	108,317	91,769
Depreciation	973	973	742
Management Fee	10,200	10,200	10,000
Repairs and Other Expenses	17,231	17,231	23,627
Total Operating Expenses	245,745	245,745	206,088
Operating Income (Loss)	(171,816)	(171,816)	(129,866)
<b>Non-Operating Revenues:</b>			
State Sources:			
State School Lunch Program	2,351	2,351	2,253
Federal Sources:			
School Breakfast Program	18,874	18,874	13,857
National School Lunch Program	90,641	90,641	88,105
Food Distribution Program	13,030	13,030	9,899
Fixed Asset Adjustment	(1,094)	(1,094)	
Interest	9	9	26
Total Non-Operating Revenues	123,811	123,811	114,140
Net Income before Operating Transfers	(48,005)	(48,005)	(15,726)
Operating Transfer In (Out)	48,060	48,060	44,190
Net Income	55	55	28,464
Net Assets - July 1	40,787	40,787	12,323
Net Assets - June 30	\$ 40,842	\$ 40,842	\$ 40,787

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**AS OF JUNE 30, 2012 AND 2011**

	<b>Food Service Enterprise Fund</b>	<b>Totals</b>	
		<b>2012</b>	<b>2011</b>
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (171,816)	\$ (171,816)	\$ (129,866)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	973	973	742
Food Distribution Program	13,030	13,030	9,899
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(4,035)	(4,035)	5,882
(Increase)/Decrease in Interfund Receivable	8,045	8,045	1,106
(Increase)/Decrease in Inventory	90	90	(119)
Increase/(Decrease) in Accounts Payable	(30)	(30)	476
Increase/(Decrease) in Deferred Revenue	696	696	(2,529)
Increase/(Decrease) in Compensated Absences			(22,500)
Net Cash Used by Operating Activities	(153,047)	(153,047)	(136,909)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	111,866	111,866	104,215
Operating Transfer from General Fund	48,060	48,060	44,190
Net Cash Provided by Noncapital Financing Activities	159,926	159,926	148,405
Cash Flows from Capital & Related Financing Activities:			
Fixed Asset Adjustment	(1,094)	(1,094)	
Purchase of Capital Asset	(3,003)	(3,003)	
	(4,097)	(4,097)	
Cash Flows from Investing Activities:			
Other Local Revenue	9	9	26
Net Decrease in Cash and Cash Equivalents	2,791	2,791	11,522
Cash and Cash Equivalents, July 1 (Overdraft)	12,497	12,497	975
Cash and Cash Equivalents, June 30 (Overdraft)	\$ 15,288	\$ 15,288	\$ 12,497

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)**

	<b><u>Expendable</u></b>		<b><u>Agency</u></b>		<b><u>Total</u></b>	
	<b><u>Trust</u></b>		<b><u>Student</u></b>		<b><u>2012</u></b>	<b><u>2011</u></b>
	<b><u>Unemployment</u></b>		<b><u>Activity</u></b>	<b><u>Payroll</u></b>		
	<b><u>Compensation</u></b>					
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 88,416	\$ 23,436	\$ 66,188	\$ 178,040	\$ 217,899	
Due from General Fund			1,341	1,341		
Total Assets	\$ 88,416	\$ 23,436	\$ 67,529	\$ 179,381	\$ 217,899	
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Payroll Deductions and Withholdings	\$	\$	\$ 67,529	\$ 67,529	\$ 66,188	
Accounts Payable						
Due to Current Fund					26,069	
Due to Student Groups		23,436		23,436	21,880	
Total Liabilities		23,436	67,529	90,965	114,137	
Fund Balances:						
Reserved:						
Unemployment Compensation	88,416			88,416	103,762	
	88,416			88,416	103,762	
Total Liabilities and Fund Balance	\$ 88,416	\$ 23,436	\$ 67,529	\$ 179,381	\$ 217,899	

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2012 AND 2011**

	<b>Expendable Trust</b>		
	<b><u>Unemployment Funds</u></b>	<b><u>Total 2012</u></b>	<b><u>Total 2011</u></b>
<b>ADDITIONS:</b>			
Employee Deductions	\$ 16,698	\$ 16,698	\$ 11,417
Employer Contribution			41,825
Interest on Investments	247	247	732
Total Additions	<u>16,945</u>	<u>16,945</u>	<u>53,974</u>
<b>DEDUCTIONS:</b>			
Unemployment Compensation			
Insurance Claims	<u>32,291</u>	<u>32,291</u>	<u>74,058</u>
Total Deductions	<u>32,291</u>	<u>32,291</u>	<u>74,058</u>
Change in Net Assets	<u>(15,346)</u>	<u>(15,346)</u>	<u>(20,084)</u>
Net Assets - Beginning of the Year	<u>103,762</u>	<u>103,762</u>	<u>123,846</u>
Net Assets - End of the Year	<u><u>\$ 88,416</u></u>	<u><u>\$ 88,416</u></u>	<u><u>\$ 103,762</u></u>

**RUNNEMEDE BOARD OF EDUCATION**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1,</u> <u>2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/12</u>	<u>Balance</u> <u>June 30,</u> <u>2012</u>
<b>ELEMENTARY SCHOOLS</b>					
Bingham School	\$ 6,884	\$ 6,649	\$ 6,640	\$	\$ 6,893
Downing School	8,523	4,566	6,212		6,877
Volz School	6,473	38,444	35,251		9,666
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 21,880</u>	<u>\$ 49,659</u>	<u>\$ 48,103</u>	<u>\$</u>	<u>\$ 23,436</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>7/1/11</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>6/30/12</u>
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 92,257	\$	6,314,945	\$	6,341,014	\$	66,188
Due from General Fund			1,341				1,341
	<u>92,257</u>		<u>6,316,286</u>		<u>6,341,014</u>		<u>67,529</u>
Total Assets	<u>\$ 92,257</u>	\$	<u>6,316,286</u>	\$	<u>6,341,014</u>	\$	<u>67,529</u>
<b>LIABILITIES:</b>							
Net Payroll	\$	\$	6,314,945	\$	6,314,945	\$	
Accounts Payable							
Due to Current Fund	26,069				26,069		
Payroll Deductions and Withholdings	66,188		1,341				67,529
	<u>92,257</u>		<u>6,316,286</u>		<u>6,341,014</u>		<u>67,529</u>
Total Liabilities	<u>\$ 92,257</u>	\$	<u>6,316,286</u>	\$	<u>6,341,014</u>	\$	<u>67,529</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.



**EXHIBIT I-1**

**RUNNEMEDE BOARD OF EDUCATION**  
**GENERAL LONG-TERM DEBT**  
**STATEMENT OF SERIAL BONDS**  
**JUNE 30, 2012**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Renovations and Improvements to Various School Buildings	3/20/97	\$2,950,000	3/15/12	\$250,000	5.25%	\$ 250,000	\$	\$ 250,000	\$ -
Totals						<u>\$ 250,000</u>	<u>\$</u>	<u>\$ 250,000</u>	<u>\$ -</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 176,923	\$	\$ 176,923	\$ 176,923	\$
State Sources:					
Debt Service Aid Type II	86,202		86,202	86,202	
<b>TOTAL REVENUES</b>	<u>263,125</u>		<u>263,125</u>	<u>263,125</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service					
Interest	13,125		13,125	13,125	
Redemption of Principal	250,000		250,000	250,000	
<b>Total Regular Debt Service</b>	<u>263,125</u>		<u>263,125</u>	<u>263,125</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources					
Fund balance, July 1					
Fund balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

## **STATISTICAL SECTION**

**RUNNEMEDE SCHOOL DISTRICT**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(Accrual Basis of Accounting)**

		Fiscal Year Ending June 30,								
		2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	1,189,708	\$ 1,542,991	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217
Restricted		262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994
Unrestricted		(443,177)	(546,324)	(519,489)	(404,700)	(733,844)	(814,701)	(1,322,095)	(565,718)	(449,818)
<b>Total Governmental Activities Net Assets</b>	<b>\$</b>	<b>1,008,930</b>	<b>\$ 1,533,039</b>	<b>\$ 1,822,401</b>	<b>\$ 1,829,882</b>	<b>\$ 2,160,241</b>	<b>\$ 2,471,435</b>	<b>\$ 2,093,634</b>	<b>\$ 3,078,448</b>	<b>\$ 4,399,393</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	246	\$ 90	\$	\$	\$	\$	6,686	5,944	7,974
Restricted										
Unrestricted		28,367	28,157	31,766	25,066	15,167	14,764	5,637	34,843	32,868
<b>Total Business-Type Activities Net Assets</b>	<b>\$</b>	<b>28,613</b>	<b>\$ 28,247</b>	<b>\$ 31,766</b>	<b>\$ 25,066</b>	<b>\$ 15,167</b>	<b>\$ 14,764</b>	<b>\$ 12,323</b>	<b>\$ 40,787</b>	<b>\$ 40,842</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$	1,189,954	\$ 1,543,081	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191
Restricted		262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994
Unrestricted		(414,810)	(518,167)	(487,723)	(379,634)	(718,677)	(799,937)	(1,316,458)	(530,875)	(416,950)
<b>Total District-Wide Net Assets</b>	<b>\$</b>	<b>1,037,543</b>	<b>\$ 1,561,286</b>	<b>\$ 1,854,167</b>	<b>\$ 1,854,948</b>	<b>\$ 2,175,408</b>	<b>\$ 2,486,199</b>	<b>\$ 2,105,957</b>	<b>\$ 3,119,235</b>	<b>\$ 4,440,235</b>

Source: CAFR Schedule A-1

**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	For Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 5,133,442	\$ 5,132,269	\$ 4,059,377	\$ 4,213,381	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	
Special Education	802,292	920,145	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505	
Other Instruction	71,085	107,503	88,802	89,831	59,976	258,381	420,505	241,756	208,999	
Support Services										
Tuition	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713	605,307	
Student and Instruction Related Services	1,215,519	1,366,821	1,067,298	978,878	1,166,284	1,122,611	1,260,296	1,285,066	1,329,739	
General and Business Administrative Services	525,312	444,713	463,833	477,783	508,027	609,082	663,529	659,175	568,737	
School Administrative Services	386,755	572,621	315,027	327,882	337,578	360,545	353,592	327,567	339,475	
Plant Operations and Maintenance	1,079,374	927,703	880,176	906,891	932,759	791,949	834,331	652,554	708,219	
Pupil Transportation	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088	226,354	
Unallocated Employee Benefits	225,304		2,355,814	2,849,491	2,930,512	2,515,630	3,233,570	2,469,749	3,012,067	
Amortization of Debt Issue Costs						2,349	2,349	2,349	2,349	
Interest on Long-Term Debt	104,343	122,637	80,512	69,494	57,962	44,941	34,998	22,267	9,303	
Unallocated Depreciation	12,435	12,435	12,094	8,774	7,725	5,405	5,613	5,710	79,622	
Total Governmental Activities Expenses	10,486,505	10,458,038	11,115,680	11,732,339	7,592,497	11,581,584	12,972,479	11,555,000	11,796,005	
Business-Type Activities										
Food Service	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088	245,745	
Total Business-Type Activities Expense	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088	245,745	
Total District Expenses	\$ 10,607,192	\$ 10,598,695	\$ 11,251,657	\$ 11,878,873	\$ 7,750,185	\$ 11,811,917	\$ 13,201,103	\$ 11,761,088	\$ 12,041,750	
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,421,704	\$ 1,595,032	\$ 1,700,358	\$ 2,043,957	\$ 2,104,015	\$ 1,251,335	\$ 1,554,471	\$ 1,406,306	\$ 1,480,710	
Total Governmental Activities Program Revenues	1,421,704	1,595,032	1,700,358	2,043,957	2,104,015	1,251,335	1,554,471	1,406,306	1,480,710	
Business-Type Activities										
Charges for Services										
Food Service	49,158	55,281	56,512	52,926	55,831	62,437	79,625	76,222	73,929	
Operating Grants and Contributions	47,120	61,487	57,506	60,643	63,349	84,031	99,527	114,114	124,896	
Total Business-Type Activities Program Revenues	96,278	116,768	114,018	113,569	119,180	146,468	179,152	190,336	198,825	
Total District Program Revenues	\$ 1,517,982	\$ 1,711,800	\$ 1,814,376	\$ 2,157,526	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642	\$ 1,679,535	
Net (Expense)/Revenue										
Governmental Activities	\$ (9,064,801)	\$ (8,863,006)	\$ (9,415,322)	\$ (9,688,382)	\$ (5,488,482)	\$ (10,330,249)	\$ (11,418,008)	\$ (10,148,694)	\$ (10,315,295)	
Business-Type Activities	(24,409)	(23,889)	(21,959)	(32,965)	(38,508)	(83,865)	(49,472)	(15,752)	(46,920)	
Total District-Wide Net Expense	\$ (9,089,210)	\$ (8,886,895)	\$ (9,437,281)	\$ (9,721,347)	\$ (5,526,990)	\$ (10,414,114)	\$ (11,467,480)	\$ (10,164,446)	\$ (10,362,215)	
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 5,315,036	\$ 5,445,213	\$ 5,740,196	\$ 5,980,814	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	
Taxes Levied for Debt Service	180,898	184,132	180,748	183,353	176,266	169,178	174,383			
Unrestricted Grants and Contributions	3,607,271	3,746,807	3,765,728	3,801,965	3,992,069	4,547,600	6,443,842	6,314,821	6,300,716	
Investment Earnings	25,431	34,486				17,356	5,229	1,517	687	
Miscellaneous Income			66,004	89,772	82,666	48,033	97,137	109,775	67,604	
Other Adjustments			(22,514)	(334,667)		9,610			244,207	
Transfers	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	
Total Governmental Activities	9,106,334	9,387,115	9,704,684	9,695,863	10,268,388	10,641,443	11,040,207	11,133,508	11,636,240	
Business-Type Activities										
Investment Earnings				891	949	192	69	26	9	
Other Adjustments									(1,094)	
Transfers	22,302	23,523	25,478	25,374	27,660	83,270	46,962	44,190	48,060	
Total Business-Type Activities	22,302	23,523	25,478	26,265	28,609	83,462	47,031	44,216	46,975	
Total District-Wide	\$ 9,128,636	\$ 9,410,638	\$ 9,730,162	\$ 9,722,128	\$ 10,296,997	\$ 10,724,905	\$ 11,087,238	\$ 11,177,724	\$ 11,683,215	
Change in Net Assets										
Governmental Activities	\$ 41,533	\$ 524,109	\$ 289,362	\$ 7,481	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814	\$ 1,320,945	
Business-Type Activities	(2,107)	(366)	3,519	(6,700)	(9,899)	(403)	(2,441)	28,464	55	
Total District-Wide	\$ 39,426	\$ 523,743	\$ 292,881	\$ 781	\$ 4,770,007	\$ 310,791	\$ (380,242)	\$ 1,013,278	\$ 1,321,000	

Source: CAFR Schedule A-2

**RUNNEMEDE SCHOOL DISTRICT**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	For Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
General Fund										
Reserved	\$ 145,487	\$ 292,716	\$ 353,315	\$ 583,828	\$ 849,650	\$ 385,401	\$ 499,187	\$ 365,821	\$ 1,383,411	
Unreserved	243,033	317,249	468,562	452,191	679,881	1,228,391	503,918	347,400	242,594	
Total General Fund	<u>\$ 388,520</u>	<u>\$ 609,965</u>	<u>\$ 821,877</u>	<u>\$ 1,036,019</u>	<u>\$ 1,529,531</u>	<u>\$ 1,613,792</u>	<u>\$ 1,003,105</u>	<u>\$ 713,221</u>	<u>\$ 1,626,005</u>	
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$ 51,578	\$ 3,072	
Unreserved, Reported in:										
Special Revenue Fund	(4,261)	(4,260)	(4,260)	(4,261)	(9,161)					
Capital Projects Fund							421,509	24,583	29,019	
Debt Service Fund										
Total All Other Governmental Funds	<u>\$ (4,261)</u>	<u>\$ (4,260)</u>	<u>\$ (4,260)</u>	<u>\$ (4,261)</u>	<u>\$ (9,161)</u>	<u>\$</u>	<u>\$ 421,509</u>	<u>\$ 76,161</u>	<u>\$ 32,091</u>	

Source: CAFR Schedule B-1

**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax Levy	\$ 5,022,400	\$ 5,495,934	\$ 5,629,345	\$ 5,920,944	\$ 6,164,167	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796
Tuition	28,597	16,599	12,884	12,500			21,198	37,610	34,946	49,209
Interest Earnings							17,356	5,229	1,517	687
Miscellaneous	18,243	8,832	21,602	53,504	89,772	82,666	26,835	59,527	74,829	18,395
State Sources	4,260,585	4,620,363	4,916,278	5,052,611	5,409,396	5,709,778	5,463,350	5,042,164	5,824,349	5,656,260
Federal Sources	380,750	408,611	425,559	413,475	436,525	386,306	400,333	1,401,678	490,472	644,456
Other Sources										
<b>Total Revenues</b>	<b>9,710,575</b>	<b>10,550,339</b>	<b>11,005,668</b>	<b>11,453,034</b>	<b>12,099,860</b>	<b>12,400,063</b>	<b>12,022,025</b>	<b>12,641,640</b>	<b>12,584,004</b>	<b>12,920,803</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,666,432	3,654,464	3,765,302	3,987,083	4,140,588	4,085,426	3,733,316	4,014,841	3,581,539	3,577,043
Special Education Instruction	559,894	580,540	676,228	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505
Other Instruction	72,302	55,609	89,859	88,802	89,831	59,976	258,381	420,505	241,756	208,999
<b>Support Services</b>										
Tuition	786,100	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713	605,307
Student and Instruction Related Services	782,733	941,206	1,056,480	1,067,298	978,878	1,166,284	1,178,198	1,260,296	1,285,066	1,329,739
School Administrative Services	358,057	375,032	326,561	315,027	327,882	337,578	360,545	353,592	364,929	367,591
General Administrative Services	447,869	451,409	436,151	444,343	464,936	497,276	598,271	652,300	610,393	539,191
Plant Operations and Maintenance	646,751	946,403	785,439	860,431	900,468	931,892	786,544	828,717	646,844	613,830
Pupil Transportation	322,456	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088	226,354
Business and Other Support Services	1,818,298	2,050,633	2,123,883	2,355,814	2,849,491	2,930,512	2,561,940	2,809,406	3,118,199	3,057,764
Capital Outlay	18,449	350,000	350,000	10,000		20,012	42,975	101,428	834,286	97,581
<b>Debt Service</b>										
Principal	180,000	190,000	205,000	210,000	225,000	225,000	225,000	245,000	250,000	250,000
Interest and Other Charges	113,568	104,343	94,605	84,099	73,337	61,806	50,274	38,743	26,125	13,125
<b>Total Expenditures</b>	<b>9,772,909</b>	<b>10,630,283</b>	<b>10,760,699</b>	<b>11,215,644</b>	<b>11,860,345</b>	<b>11,882,791</b>	<b>11,846,333</b>	<b>12,783,856</b>	<b>13,175,046</b>	<b>12,004,029</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(62,334)</b>	<b>(79,944)</b>	<b>244,969</b>	<b>237,390</b>	<b>239,515</b>	<b>517,272</b>	<b>175,692</b>	<b>(142,216)</b>	<b>(591,042)</b>	<b>916,774</b>
<b>Other Financing Sources (Uses)</b>										
Other Adjustments										
Transfers, Net	(20,775)	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,775)</b>	<b>(22,302)</b>	<b>(23,523)</b>	<b>(25,478)</b>	<b>(25,374)</b>	<b>(27,660)</b>	<b>(83,270)</b>	<b>(46,962)</b>	<b>(44,190)</b>	<b>(48,060)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (83,109)</b>	<b>\$ (102,246)</b>	<b>\$ 221,446</b>	<b>\$ 211,912</b>	<b>\$ 214,141</b>	<b>\$ 489,612</b>	<b>\$ 92,422</b>	<b>\$ (189,178)</b>	<b>\$ (635,232)</b>	<b>\$ 868,714</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.0%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.2%</b>

Source: CAFR Schedule B-2

**EXHIBIT J-5**

**RUNNEMEDE SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Homeless</u> <u>Reimbursement</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 687	\$ 49,209	\$ 4,658		\$	\$ 3,746	\$ 58,300
2011	1,517	34,946	52,352			15,941	104,756
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	60,542	8,800	5,648		2,510	5,166	82,666
2007	60,677		991		28,104		89,772
2006	30,604	12,500	1,228	21,485		187	66,004
2005	16,969	12,884	4,633				34,486
2004	7,694	16,599	1,138				25,431
2003	28,596	6,914	10,722			608	46,840

Source: District Records



**RUNNEMEDE SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual County Equalized Value</b>
2012	\$ 3,097,500	\$ 257,928,600	\$ 45,472,800	\$ 12,060,100	\$ 14,752,700	\$ 333,311,700	\$ 943,609	\$ 334,255,309	\$ 0.000	\$ 549,113,180
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.895	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.817	591,488,940
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.808	588,376,307
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.823	591,141,251
2007	3,211,700	255,372,400	45,678,400	13,049,700	18,297,700	335,609,900	1,121,421	336,731,321	1.839	534,990,012
2006	2,840,200	254,680,800	44,427,900	13,249,700	18,297,700	333,496,300	1,229,499	334,725,799	1.806	473,892,732
2005	2,930,400	253,501,100	44,497,800	13,249,700	18,297,700	332,476,700	1,575,993	334,052,693	1.729	406,546,202
2004	3,063,800	250,016,300	44,568,800	13,249,700	18,297,700	329,196,300	1,717,421	330,913,721	1.681	372,486,519
2003	2,947,100	249,031,000	45,484,900	13,644,300	18,297,700	329,405,000	1,893,139	331,298,139	1.588	349,621,386

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**c** Estimate

**RUNNEMEDE SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*

Year Ended June 30,	Runnemede School District			Overlapping Rates				Total
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Runnemede	Regional School	Camden County		
2012	\$ 1.900	\$ 0.053	\$ 1.953	\$ 1.425	\$ 0.869	\$ 1.255	\$ 5.502	
2011	1.895	0.000	1.895	1.497	0.835	1.124	5.351	
2010	1.765	0.052	1.817	1.379	0.835	1.073	5.104	
2009	1.758	0.050	1.808	1.347	0.838	1.054	5.047	
2008	1.769	0.054	1.823	1.248	0.866	1.041	4.978	
2007	1.785	0.054	1.839	1.109	0.876	1.046	4.870	
2006	1.752	0.054	1.806	0.999	0.866	1.071	4.742	
2005	1.674	0.055	1.729	0.935	0.884	0.943	4.491	
2004	1.626	0.055	1.681	0.907	0.806	0.911	4.305	
2003	1.534	0.054	1.588	0.762	0.693	0.952	3.995	

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2011*		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 6,000,000	1.78%	\$ 6,000,000	1.84%
Hartford Plaza	5,092,300	1.51%		
The Meadows at Runnemedede	4,400,000	1.31%		
Runnemedede Lodging Investors	3,250,000	0.96%		
Sinatra Corporation	2,450,000	0.73%		
East Coast Enterprises	2,125,100	0.63%		
DPE 165 Runn. Assoc. LLC	2,091,600	0.62%		
DPE 160 Runn. Assoc. LLC	1,805,500	0.53%		
D&P 155 Runn. Assoc. L.P.	1,614,200	0.48%		
DPE 190 Runn. Assoc. AIRB EXP	1,540,000	0.46%		
D&P Industrial			5,111,600	1.57%
Grande Associates			4,800,000	1.47%
Runnemedede Hotel Assoc.			3,780,000	1.16%
Runnemedede Plaza Assoc.			3,237,400	0.99%
Subtle & Moffitt Co			2,035,500	0.62%
Runnemedede Association			1,571,500	0.49%
United Softee Realty			1,250,000	0.38%
Oak Ridge Apartments			1,240,000	0.38%
Comfort Inn			1,000,000	0.31%
Total	\$ 30,368,700	9.01%	\$ 30,026,000	9.21%

\* Unavailable at time of audit

Source: District CAFR & Municipal Tax Assessor

**RUNNEMEDE SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2012	\$ 6,374,873	\$ 6,374,873	100.00%	\$
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	
2007	6,164,167	6,164,167	100.00%	
2006	5,920,944	5,920,944	100.00%	
2005	5,629,345	5,629,345	100.00%	
2004	5,495,934	5,495,934	100.00%	
2003	5,022,400	5,022,400	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General	Capital	Bond	Capital				
	Obligation Bonds <sup>b</sup>	Leases	Anticipation Notes (BANs)	Leases				
2012	\$ -	\$	\$	\$	\$ -	-	\$ -	
2011	250,000				250,000	0.07%	30	
2010	500,000				500,000 *	0.14%	60	
2009	745,000				745,000 *	0.21%	89	
2008	970,000				970,000	0.28%	115	
2007	1,195,000				1,195,000	0.35%	141	
2006	1,420,000				1,420,000	0.44%	168	
2005	1,630,000				1,630,000	0.53%	192	
2004	1,835,000				1,835,000	0.62%	217	
2003	2,025,000				2,025,000	0.71%	238	

\* Estimate

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2012	\$ -	\$	\$ -	-	\$ -
2011	250,000		250,000	0.04%	30 *
2010	500,000		500,000	0.15%	59 *
2009	745,000		745,000	0.22%	89
2008	970,000		970,000	0.29%	115
2007	1,195,000		1,195,000	0.35%	141
2006	1,420,000		1,420,000	0.42%	168
2005	1,630,000		1,630,000	0.49%	192
2004	1,835,000		1,835,000	0.55%	217
2003	2,025,000		2,025,000	0.61%	238

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-13.

\* Estimated

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2012**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable <sup>a</sup></u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
<b>Debt Repaid with Property Taxes</b>			
Borough of Runnemede	\$ 5,504,500	100.000%	\$ 5,504,500
Camden County General Obligation Debt	211,014,203	1.387%	2,926,465
Black Horse Pike Regional High School District	24,222,000	9.5140%	2,304,492
Subtotal, Overlapping Debt			10,735,457
<b>Runnemede School District Direct Debt</b>			-
<b>Total Direct and Overlapping Debt</b>			<b>\$ 10,735,457</b>

**Sources:** Camden County Board of Taxation

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**RUNNEMEDE SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**Legal Debt Margin Calculation for Fiscal Year 2011**

	Equalized Valuation Basis
	2011 \$ 551,219,934
	2010 579,493,366
	2009 587,854,170
	[A] \$ 1,718,567,470
Average Equalized Valuation of Taxable Property	[A/3] \$ 572,855,823
Debt Limit (3% of Average Equalization Value)	[B] \$ 17,185,675 a
Net Bonded School Debt	[C] -
Legal Debt Margin	[B-C] \$ 17,185,675

**Fiscal Year Ending June 30,**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 9,628,591	\$ 10,278,009	\$ 11,127,903	\$ 12,376,696	\$ 13,969,422	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675
Total Net Debt Applicable to Limit	2,025,000	1,835,000	1,630,000	1,420,000	1,195,000	970,000	745,000	500,000	250,000	-
Legal Debt Margin	\$ 7,603,591	\$ 8,443,009	\$ 9,497,903	\$ 10,956,696	\$ 12,774,422	\$ 14,864,779	\$ 16,503,752	\$ 17,342,928	\$ 17,530,795	\$ 17,185,675
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21%	18%	15%	11%	9%	6%	4%	3%	1%	0%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts



**RUNNEMEDE SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Year</b>		<b>Population <sup>a</sup></b>		<b>Personal Income (thousands of dollars) <sup>b</sup></b>		<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>d</sup></b>
2012	*	8,464	\$	376,189,996	\$	44,446	12.4%
2011	*	8,462		368,726,573		43,574	12.6%
2010		8,467		361,710,240		42,720	12.8%
2009		8,408		348,141,648		41,406	12.2%
2008		8,421		353,614,632		41,992	7.9%
2007		8,450		340,197,000		40,260	6.0%
2006		8,457		327,040,647		38,671	6.5%
2005		8,485		307,997,015		36,299	6.0%
2004		8,471		296,103,805		34,955	4.5%
2003		8,491		286,758,052		33,772	5.0%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* Estimate

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**RUNNEMEDE SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b><u>Function/Program</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
Instruction										
Regular	72	71	71	71	72	72	69	68	67	67
Special Education	13	12	12	12	12	12	12	12	20	20
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	4	4	4	4	4	15	15
General Administrative Services	5	5	5	5	5	5	4	4	2	2
School Administrative Services	6	5	5	5	5	5	5	5	7	7
Business Administrative Services	2	2	2	2	2	2	3	3	3	3
Plant Operations and Maintenance	10	10	10	10	10	10	12	12	12	12
Food Service	1	1	1	1	1	1	1	1	-	-
Total	<u>113</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>111</u>	<u>111</u>	<u>110</u>	<u>109</u>	<u>126</u>	<u>126</u>

**Source:** District Personnel Records

**RUNNEMEDE SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures <sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff <sup>b</sup></b>	<b>Pupil/Teacher Ratio</b>		<b>Average Daily Enrollment (ADE) <sup>c</sup></b>	<b>Average Daily Attendance (ADA) <sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
						Elementary	Middle				
2012	862	\$ 11,906,448	\$ 13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%
2007	806	11,562,008	14,345	5.8%	92	1:13	1:10	790.0	745.0	0.77%	94.30%
2006	805	10,911,545	13,555	11.8%	91	1:13	1:10	784.0	744.0	-3.69%	94.90%
2005	834	10,111,094	12,124	-1.9%	92	1:13	1:10	814.0	773.0	3.04%	94.96%
2004	808	9,985,940	12,359	7.8%	92	1:13	1:10	790.0	752.0	-1.13%	95.19%
2003	825	9,460,892	11,468	2.5%	92	1:14	1:10	799.0	758.0	-0.87%	94.87%

**Sources:** District records, ASSA

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	190	190	190	178	178	177	177	182	205	208
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	126	126	143	155	155	157	157	178	168	170
<b><u>Middle School</u></b>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	455	458	447	450	450	456	456	468	458	464
<b><u>Other</u></b>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2012

    Elementary = 2

    Middle = 1

    High School = 0

    Other = 1

**Source:** District records, ASSA

**Note:** Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**RUNNEMEDE SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
***(UNAUDITED)***

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**11-000-261-XXX**

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Bingham School	25,050	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785	\$ 54,178	\$ 13,462	\$ 13,299	\$ 13,718	\$ 35,023
Downing School	23,315	13,631	12,378	46,168	35	2,693	16,378	20,766	14,282	31,521	32,852
Volz School	70,268	42,974	36,999	29,531	14,527	115,151	66,243	46,426	104,418	251,490	72,785
Total School Facilities		<u>73,325</u>	<u>63,695</u>	<u>102,058</u>	<u>14,780</u>	<u>122,629</u>	<u>136,799</u>	<u>80,654</u>	<u>131,999</u>	<u>296,729</u>	<u>140,660</u>
Other Facilities	2,132										
Grand Total		<u>\$ 73,325</u>	<u>\$ 63,695</u>	<u>\$ 102,058</u>	<u>\$ 14,780</u>	<u>\$ 122,629</u>	<u>\$ 136,799</u>	<u>\$ 80,654</u>	<u>\$ 131,999</u>	<u>\$ 296,729</u>	<u>\$ 140,660</u>

**RUNNEMEDE SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**(UNAUDITED)**

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group	Building and Contents (All Locations)		
	Blanket Real & Personal Property	\$ 23,881,580	\$ 5,000
	Enviromental Package	1,000,000	10,000
	Equipment Breakdown	100,000,000	5,000
	Property Extra Expenses	25,000,000	5,000
	Valuable Papers	10,000,000	5,000
	EDP	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
	Worker's Compensation		
	Employee	Statutory	
	Employer	2,000,000	
	Educator's Legal Liability	1,000,000	5,000
	Crime Coverage	25,000	500
	Catastrophic Student Accident Coverage		
	Accident Medical Expense Benefit	5,000,000	
	Catastrophic Cash Benefit	1,000,000	
Western Surety Insurance			
	Surety Bonds		
	Treasurer	200,000	1,000
	Board Secretary	10,000	500

**SINGLE AUDIT SECTION**



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

October 25, 2012

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated October 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

Management of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Runnemede Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses.

### Compliance and Other Matters

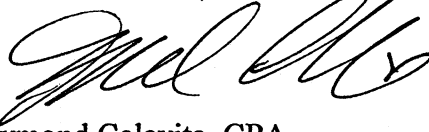
As part of obtaining reasonable assurance about whether the Runnemede Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial matters involving internal control that we have reported to the Runnemede Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings, Compliance and Performance* dated October 25, 2012.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**

A handwritten signature in dark ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

October 25, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

## **Compliance**

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Runnemede School District's major federal and state programs for the year ended June 30, 2012. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Runnemede Board of Education's management. Our responsibility is to express an opinion on the Runnemede Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Runnemede Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Runnemede Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2012.

### **Internal Control Over Compliance**

Management of the Board of Education of the Runnemede School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Runnemede Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis.

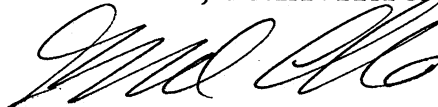
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2012		
				From	To					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education												
General Fund												
Medicaid Assistance Program	93.778	N/A	\$ 164,841	7/1/10	6/30/11	\$ (5,366)		\$ 5,366				
Medicaid Assistance Program	93.778	N/A	28,572	7/1/11	6/30/12			23,241	\$ (28,572)	\$ (5,331)		
Education Jobs Fund Program	84.410A	N/A	164,841	7/1/11	6/30/12			164,841	(164,841)			
Total General Fund						(5,366)		193,448	(193,413)	(5,331)		
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
School Breakfast Program	10.553	N/A	18,874	7/1/11	6/30/12			17,819	(18,874)	(1,055)		
Food Distribution Program	10.565	N/A	13,030	7/1/11	6/30/12			13,030	(13,030)			
National School Lunch Program	10.555	N/A	90,641	7/1/11	6/30/12			87,632	(90,641)	(3,009)		
Total Enterprise Fund								118,481	(122,545)	(4,064)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010A	NCLB0950-09	96,061	9/1/08	8/31/09	826						\$ 826
Title I	84.010A	NCLB0950-10	137,409	9/1/09	8/31/10	(13,412)		13,412				
Title I	84.010A	NCLB0950-11	149,536	9/1/10	8/31/11	(25,513)		35,354	(9,841)			
Title I	84.010A	NCLB0950-12	196,070	9/1/11	8/31/12			71,372	(160,273)	(88,901)		
ARRA- Title I, Part A	84.389A	ARRA095011	43,330	9/1/09	8/31/11	7,831			(13,274)	(5,443)		
ARRA- IDEA Basic	84.391	ARRA095010	224,840	9/1/09	8/31/10	(52,456)		53,647	(1,191)			
ARRA- IDEA PS	84.392A	ARRA095010	8,110	9/1/09	8/31/10	(290)		746	(456)			
Title II A	84.367A	NCLB0950-10	52,645	9/1/09	8/31/10	(3,425)		3,425				
Title II A	84.367A	NCLB0950-11	52,675	9/1/10	8/31/11	(851)		9,902	(9,051)			
Title II A	84.367A	NCLB0950-12	61,721	9/1/11	8/31/12			21,091	(48,900)	(27,809)		
I.D.E.A. Part B, Pre-school	84.173	FT0950-12	12,189	9/1/11	8/31/12			5,771	(7,528)	(1,757)		
I.D.E.A. Part B, Pre-school	84.173	FT0950-11	16,709	9/1/10	8/31/11	(2,010)		4,994	(3,699)	(715)		
I.D.E.A. Part B Basic	84.027	FT0950-12	262,520	9/1/11	8/31/12			165,846	(235,413)	(69,567)		
I.D.E.A. Part B Basic	84.027	FT0950-11	248,690	9/1/10	8/31/11	(52,351)		57,156	(4,805)			
I.D.E.A. Part B Basic	84.027	FT0950-10	245,765	9/1/09	8/31/10	7,662						7,662
I.D.E.A. Part B Basic	84.027	FT0950-09	236,372	9/1/08	8/31/09	(98)				(98)		
Total Special Revenue Fund						(134,087)		442,716	(494,431)	(194,290)		8,488
Total Federal Financial Assistance						\$ (139,453)		\$ 754,645	\$ (810,389)	\$ (203,685)		\$ 8,488

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011		Cash Received	Budgetary Expenditures	Balance at June 30, 2012			MEMO	
			From	To	(Accounts Receivable)	Due To Grantor			(Accounts Receivable)	Deferred Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
Equalization Aid	12-495-034-5120-078	\$ 4,012,984	7/1/11	6/30/12			\$ 3,646,535	\$ (4,012,984)	\$ (366,449)			* \$ (366,449)	\$ 4,012,984
Equalization Aid	11-495-034-5120-078	3,766,240	7/1/10	6/30/11	\$ (349,470)		349,470						
Special Education Aid	12-495-034-5120-089	440,499	7/1/11	6/30/12			396,450	(440,499)	(44,049)			* (44,049)	440,499
Special Education Aid	11-495-034-5120-089	440,499	7/1/10	6/30/11	(44,049)		44,049						
School Choice Aid	12-495-034-5120-068	21,432	7/1/11	6/30/12			21,432	(21,432)				* (21,432)	21,432
Extraordinary Aid	12-100-034-5120-473	86,651	7/1/09	6/30/10				(86,651)	(86,651)			* (86,651)	86,651
Extraordinary Aid	11-100-034-5120-473	68,273	7/1/10	6/30/11	(68,273)		68,273						
Non-public Transportation Aid	11-495-034-5120-014	3,828	7/1/10	6/30/11	(3,828)		3,828						
Non-public Transportation Aid	12-495-034-5120-014	3,306	7/1/11	6/30/12				(3,306)	(3,306)			* (3,306)	3,306
Anti-bullying Aid	N/A	141	7/1/11	6/30/12			141	(141)				* (141)	141
On-behalf TPAF Non-Contributory Ins	12-495-034-5095-007	169,668	7/1/11	6/30/12			169,668	(169,668)				* (169,668)	169,668
On-behalf TPAF Post Retirement Contrib.	12-495-034-5095-001	341,078	7/1/10	6/30/11			341,078	(341,078)				* (341,078)	341,078
Reimb. TPAF Social Security Contrib	11-495-034-5095-002	416,910	7/1/10	6/30/11	(19,011)		19,011						
Reimb. TPAF Social Security Contrib	12-495-034-5095-002	387,981	7/1/11	6/30/12			368,609	(387,981)	(19,372)			* (19,372)	387,981
Total General Fund					(484,631)		5,428,544	(5,463,740)	(519,827)			(410,498)	5,463,740
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	09-100-034-5120-064	10,396	7/1/08	6/30/09		\$ 58					\$ 58		
Textbook Aid	12-100-034-5120-064	8,505	7/1/11	6/30/12			8,505	(6,960)			1,545	* (6,960)	6,960
Nursing Aid	12-100-034-5120-070	12,149	7/1/11	6/30/12			12,149	(12,142)			7	* (12,142)	12,142
Auxiliary Services:													
Compensatory Education Aid	11-100-034-5120-067	66,982	7/1/10	6/30/11	(9,626)	9,626							
Compensatory Education Aid	12-100-034-5120-067	59,173	7/1/11	6/30/12			59,173	(39,053)			20,120	* (39,053)	39,053
Transportation Aid	11-100-034-5120-068	6,262	7/1/10	6/30/11	(3,215)	3,215							
Transportation Aid	12-100-034-5120-068	6,794	7/1/11	6/30/12			6,794	(1,905)			4,889	* (1,905)	1,905
Homebound Instruction Aid	12-100-034-5120-067	12,446	7/1/11	6/30/12				(12,446)	(12,446)			* (12,446)	12,446
Handicapped Services:													
Supplemental Instruction Aid	11-100-034-5120-066	15,286	7/1/10	6/30/11	(6,014)	6,014							
Supplemental Instruction Aid	12-100-034-5120-066	17,187	7/1/11	6/30/12			17,187	(12,697)			4,490	* (12,697)	12,697
Examination & Classification Aid	11-100-034-5120-066	20,890	7/1/10	6/30/11	(2,590)	2,590							
Examination & Classification Aid	12-100-034-5120-066	21,736	7/1/11	6/30/12			21,736	(18,034)			3,702	* (18,034)	18,034
Corrective Speech	11-100-034-5120-066	23,939	7/1/10	6/30/11	(3,059)	3,059							
Corrective Speech	12-100-034-5120-066	27,092	7/1/11	6/30/12			27,092	(18,326)			8,766	* (18,326)	18,326
Total Special Revenue Fund					(24,504)	24,562	152,636	(121,563)	(12,446)		43,577		121,563
Capital Projects Fund:													
NJSDA	4590-030-09-1002	224,392	7/1/09	Closing	(224,392)				(224,392)			* (224,392)	224,392
NJSDA	4590-030-09-1003	170,104	7/1/09	Closing	(170,104)				(170,104)			* (170,104)	170,104
NJSDA	4590-030-09-1004	120,121	7/1/09	Closing	(116,818)			(3,303)	(120,121)			* (120,121)	120,121
					(511,314)			(3,303)	(514,617)				514,617
Debt Service Fund:													
Debt Service Aid-Type II	11-495-034-5120-017	86,202	7/1/11	6/30/12			86,202	(86,202)				* (86,202)	86,202
State Department of Agriculture:													
Enterprise Fund:													
School Lunch Prog.	12-100-010-3350-023	2,351	7/1/11	6/30/12			2,274	(2,351)	(77)				2,351
Total Enterprise Fund							2,274	(2,351)	(77)				2,351
Total State Financial Assistance					\$ (1,020,449)	\$ 24,562	\$ 5,669,656	\$ (5,677,159)	\$ (1,046,967)		\$ 43,577	\$ (410,498)	\$ 6,188,473

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2012**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Runnemedede School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,979 for the general fund and \$43,957 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2012**  
(Continued)

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	Federal	State	Total
General Fund	\$ 193,413	\$ 5,445,761	\$ 5,639,174
Special Revenue Fund	451,043	120,994	572,037
Capital Projects		3,303	3,303
Debt Service		86,202	86,202
Food Service Fund	122,545	2,351	124,896
Total Awards & Financial Assistance	\$ 767,001	\$ 5,658,611	\$ 6,425,612

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Runnemede School District had no outstanding loans as of June 30, 2012.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 8: ADJUSTMENTS**

Schedule B reflects adjustments and repayments to the State of New Jersey for Non Public Aid based on refunds received from the outside consulting vendor.



**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**Federal Awards**

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ X no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA-Basic
84.173	IDEA Preschool
84.391	ARRA-IDEA Basic
84.392	ARRA-IDEA Preschool
84.010	Title I
84.389	ARRA-Title I
84.410A	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no



**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**(continued)**

**Section II - Financial Statement Findings**

**Finding:** NONE

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**  
**(continued)**

**Section III - Federal Awards and State Financial Assistance**  
**Findings and Questioned Costs**

**FEDERAL AWARDS**

**Finding:** NONE

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**STATE AWARDS**

**Finding:** NONE

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**RUNNEMEDE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR - YEAR FINDINGS**

**Financial Statements**

**Finding:** 2011-3

**Condition:**

While the district maintains fixed asset records, the updated report, prepared by an outside appraisal company, was not available for examination in a timely manner and accordingly, the current year amounts were determined and adjusted as part of the audit, based on the previous outside appraisal report.

**Recommendation:**

Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a more timely manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

**Current Status**

This recommendation was resolved, with regard to receiving a fixed asset report in time to include the information in the 2011-12 CAFR. There were, however, adjustments required to be reflected, as part of the audit, arising from certain 2011-12 additions.